

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA  
TUESDAY, JUNE 9, 2015 @ 1:30 P.M.  
**COMMISSIONERS CHAMBERS**  
**515 CENTER AVENUE - 4<sup>TH</sup> FLOOR**  
**BAY CITY, MI 48708**

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**VI. ANNOUNCEMENTS**

- A. NEXT REGULAR MEETING - JULY 14, 2015 AT 1:30 P.M.,  
COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4<sup>TH</sup>  
FLOOR, BAY CITY, MI 48708

**VII. UNFINISHED BUSINESS**

**VIII. NEW BUSINESS**

**IX. MISCELLANEOUS BUSINESS**

**X. ADJOURNMENT**

**MINUTES** BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)  
APRIL 23, 2015 - MONEY MANAGERS MEETING

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**NOTE:** In addition to these typed minutes, this board meeting was also taped. These tapes are available for review in the Retirement Office

A special meeting of the Board of Trustees was held on April 23, 2015 at 9:00 a.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

**Trustees Present:** Chairperson Gray, Mr. Gromaski, Mr. Pett, and Ms. Goetz.

**Trustees Absent:** Mr. Brzezinski, Mr. Coonan, Mr. Herek, Mr. Morse, and Mr. Starkweather.

**Also Present:**

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.

Secretary/Finance Officer: Crystal Hebert

Retirement Administrator: Rebecca Marsters

The meeting was called to order by Chairman, Steve Gray at 9:04 a.m.

Mr. Gray called for public input. Seeing no one from the public present, he moved onto petitions and communications.

Present today were representatives from three money managers to present their performance reports. Copies were provided to all Trustees, in advance, via the web.

Trustee Starkweather entered the meeting at 9:08 a.m.

Trustee Morse entered the meeting at 9:12 a.m.

First to present was Mr. Jeff Simmons, CFA, Senior Portfolio Manager of Baird Advisors from Milwaukee, Wisconsin.

Mr. Simmons gave an overview of the firm. The firm is doing very well. They had record revenues in earnings in the last year. They ended the quarter with \$32.3 billion of fixed income assets under management.

The BCERS portfolio performance continues to be very good with value added relative to benchmark in all of their products over all the various time periods. The Lipper rankings are very high with respect to each asset category.

With respect to Baird's philosophy and process, there are really no changes from a year ago with regarding how they manage portfolios. They remain duration neutral in all portfolios at all times relative to their benchmark. He also talked about risk controls in portfolio construction. Baird focuses very heavily on risk control as they build and manage portfolios.

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In terms of the outlook and how the portfolio is positioned, the portfolio continues to be positioned to modestly benefit from continuing flattening of the yield curve. They have a modest underweight to the front end of the curve using some, to a small extent, of floating-rate securities in the portfolio. These are CMBS - commercial mortgaged backed securities that reset every month. That allows them to underweight the 1-2 year part of it and push some of the durations out to the 5-year part of the curve to get a better flow.

They are in full compliance with the guidelines for the portfolio.

As of the end of the quarter, the yield maturity on the portfolio was 1.72%. Their average coupon 3.51% and that is higher than the benchmark. The custom benchmark at 2.95%. That means the portfolio is throwing off more cash so they can re-invest more quickly if short rates do rise. Duration of the portfolio at 4.55 years, exactly identical to benchmark.

He talked about the sector breakdown. Treasuries are 32% of the portfolio versus 46% in the benchmark - so they are underweight on a nominal basis. On a duration-weighted basis, it is at 58% right in line with the benchmark. U.S. Governments agency debentures - a very small weighting of 1% versus 4% of the index. Agency pass-throughs, which are securities like Ginny Mae and Fannie Maes (mortgage related securities), are 39% of the portfolio versus 50% on a nominal basis; on duration-weighted, 26% versus 39%. They are substituting some of the agency pass-through exposure with agency CMOs and CMBS. CMOs at 5% and agency CMBS at 19%. On a duration-weighted basis combined, those are all 14% of the portfolio. Cash is 4% of the portfolio. Total number of issues 88 securities in the portfolio. Market value is just shy of \$26 million; \$25,849,000.

For the quarter, the portfolio was up 1.49%. The customized benchmark, which is half treasuries and half mortgage securities, at 1.34% so a good first quarter of almost 1.5%. Trailing 12 months, the portfolio was at 5.72% and benchmark of 5.38%. For the calendar year, the portfolio is up 5.79% ahead of the benchmark at 5.2%. The trailing 3-year and 5-year numbers and going out to 7 years, the portfolio has annualized at 4.41% versus 4.09% for the benchmark. Since inception 9 years ago, the portfolio has annualized at over 5% per year at 5.11%, ahead of the benchmark.

Trustee Pett asked what led to Baird forecasting that interest rates were going to be lower for a longer period. He asked if it was more of a response of being duration-neutral where it didn't affect them as much and what went into that thought process.

Mr. Simmons responded that they had been saying for a couple of years they thought rates would be lower longer than the general consensus out there. That was really driven by the opinion that the economy was not that strong. The consumer was not really strengthening. There were no wage increases out there. It was really just a function of the fact that it would be very, very difficult



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for the Fed to start a cycle of interest rate increases without a stronger economy and it was going to take a little longer to see that strengthened economy. With respect to how it impacted the portfolio, being duration-neutral was really a nice position to be in over the past couple of years because rates did come down and they have been hurt by that. Other managers that were thinking rates were going to go up, it shortened their portfolio so they did not benefit as much when the yields came down as Baird did in duration neutral. It is a nice position to be in. He thought it was really just a function of the economy that was sluggish. It was going to take longer to get there to the right point in time where the Fed could comfortably start to raise interest rates.

Mr. Starkweather asked if there was anything in the investment guidelines that Baird would like the Board to reconsider. Mr. Simmons responded that he thought they were very good, very fair guidelines with respect to remaining just within treasuries and government agencies. For fixed-income portfolio their preference would be for core high-quality application. But he didn't know how that fit in the context of the overall portfolio. He stated that as a core, high quality manager, their preference would be to be able to utilize some corporate security. They think would could add more value for their clients if they were able to do that. He stated perhaps the Board had another manager that is doing some of that and this really is the conservative anchor you want to stay within the government agency space. If that is the view, that if Baird is to stay within the government agency space, those are good guidelines.

Mr. Pohl asked if there was any outlook for how spreads are going to go in the future. You have talked about how the CMBS would help the spreads.

Mr. Simmons stated as a general comment on both, they are attracted to spread product but cautiously attracted both on the corporate side and on the mortgage side.

Mr. Simmons answered questions from Trustees, concluded the presentation, and departed.

MOTION 30: Moved, supported and carried to receive the report from Baird Advisors.

MOTION 31: Moved, supported and carried to excuse Trustee Herek, Trustee Coonan and Trustee Brzezinski.

Trustee Morse departed the meeting at 9:35 a.m

A short break was taken and the meeting was called back to order at 9:52 a.m.

The next to present were Mr. Patrick Olk, Relationship Manager, and Mr. Richard Rosen, Portfolio Manager, for Columbia Management of Minneapolis, Minnesota.

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Mr. Rosen went over the firm. Their investment policy remains the same. They have changed the name of the firm to Columbia Threadneedle. They have a division in the UK and this reflects the fact that as an organization they are a more global firm than they have been in the past. They are going to continue doing just what they have done. There are no changes in personnel and no other specific changes. He stated Columbia was just awarded a new mandate, a \$300 million client, in the last couple of days. Their business is good.

He went over the portfolio performance. When they were here last, they were coming out of 2013 and had outperformed for six out of the last eight years. It was a very good year in terms of total return. Last year they underperformed a little bit versus the benchmark and actually a little bit versus the market. The biggest reason for under performance was that the best performance sector last year was the utilities sector.

Mr. Pohl asked about the last quarter. Mr. Rosen stated they were around where the market was, under slightly.

He went over the portfolio characteristics.

He talked about position by sector allocation as well as positions both purchased and sold from last year. The largest portion of the portfolio's financials were underweight relative to the Russell 1000 value. They still have a large exposure to banks and to life insurance companies. After that is energy, industrials and consumer staples.

Regarding performance over the last three years, the average return per year was 22%. The average return over the last five years was nearly 18%. He stated this was not going to continue. Columbia's hope is that the economies are going to get better. Stocks could go up substantially from here.

Columbia's outlook is that the market is going to be up 4%, 5 % or 6% this year. They believe the next five years are probably not going to be as good as the prior five years. The thing too keep an eye on is corporate profit because that is what creates value.

Trustee Starkweather asked if there was anything in the guidelines in the investment policy they wanted to address. Mr. Rosen stated no changes were needed.

Mr. Olk and Mr. Rosen answered Trustee's questions, concluded their presentation and departed the meeting.

MOTION 32: Moved, supported and carried to receive the report from Columbia.

A short break was taken. The meeting resumed at 10:32 a.m.

Next to present were Ms. Cathie Mazza, Institutional Director, and Mr. Richard Sennitt, Portfolio Manager, from Schroder Investments of New York, New York.

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Ms. Mazza stated they were actually here in September so it hasn't been that long. As of year end, total assets under management \$68 billion. They continue to do well and grow across all channels. They have not had any management changes to report.

Mr. Sennitt went over Schroder's philosophy. Stock selection is where they expect to see the primary source of value added; roughly 80% stock and 20% the rest. The types of stocks they buy have growth and quality at a reasonable price. They tend to like companies that have visible earnings growth. They have a strong risk framework. They tend to run in relatively diversified portfolios which is roughly about 200 stocks. He talked about the team which consists of 21 members. Matthew Dobbs is the lead portfolio manager with an average of 24 years of experience and 17 of those at Schroder

Performance of the fund is up 7.8% against the index at 5.6% and ahead of the target index which is +1.5% and it is about 1.9%. From a year ago, it is slightly behind the index and behind the +1.5% target really because of the weak fourth quarter they had last year. Over three years, returns have been very, very good and relative to large cap and small caps have done well. The performance has been slightly ahead of the investment; again about 1% behind target.

Looking at where the performance is coming from, they had strong stock selection in the first quarter coming from Europe and Japan. They underperformed in some stock selection principally continental Europe and U.K. Under performance was in energy and financials.

He talked about risk characteristics of the fund. The Fund is overweight in growth and quality.

He went over weightings by region. They have been consistently overweight in emerging markets, about 6% of the portfolio, and also overweight in cash. That has been mainly in Asia. Exposure there is actually in Taiwan, which has a rich sector in diversified industrials with small and mid cap stocks where they get good exposure to different niches. Underweight in Australia and slightly underweight in Japan. The underweight in Japan is really driven by the financials position. In the UK, the underweight has increased over time due to political uncertainty. The quarter closed neutral in continental Europe.

Trustee asked Mr. Sennitt to speak about what their due diligence is once they do purchase a position.

Mr. Sennitt stated once they buy a position in a company, they continue to monitor and visit the company as well as other competitors in the area. They have an ongoing relationship with the companies and follow the results.

Regarding the outlook, Mr. Sennitt talked about the positioning of the fund and why they are there. There is a very slow, gradual improvement in global growth. Europe is getting a bit of traction particularly in things like loan

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growth that is finally starting to come through as banks are started lending a little bit more than they had.

Mr. Pohl asked where the forward P/E for the fund would be today versus the small cap index and versus the international market.

Mr. Sennitt responded that for the Fund earnings growth is at just 13.5% for this year coming through. Mr. Pohl asked for the whole international market and Mr. Sennitt stated there is a P/E premium of small cap so it is roughly a two-point premium for small cap over large international small cap.

Ms. Mazza and Mr. Sennitt answered questions of Trustees, concluded their presentation and departed.

MOTION 33: Moved, supported and carried to receive the report from Schroders.

**ANNOUNCEMENTS:**

A. Next regularly scheduled meeting will be Tuesday, May 12, 2015 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4<sup>th</sup> Floor, Bay City, MI 48708.

**UNFINISHED BUSINESS:**

Trustee Pett asked Mr. Pohl if he had any comments on the three presenters today. Mr. Pohl stated he had no issues at all. Mr. Pohl did state they just received a letter from MacKay Shields, the convertible manager, and they want to change some guidelines. The letter would be in the next Agenda and they will discuss that at the next meeting.

Trustee Starkweather commented that most of the portfolios of the individual money managers are around \$25 million. He asked if there was a point at which they should take money from each portfolio and start another one.

Mr. Pohl stated he didn't think so. He thought there were enough managers. He knows in the past there was reticent to add managers and the only reason he would add managers typically would be different asset categories or something like that. He stated as for what there is now, he wouldn't start another portfolio.

Chairman Gray asked for input from the Board on the Disability Retirement Policy.

The Board discussed many issues regarding the Disability Retirement Policy including: using an independent physician, using standardized forms for reporting, the topic of notifying the employer, the approval process, the appeal process, and re-examination. They agreed to break the issue down and discuss and decide on two topics to start with and then work from there.

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Ms. Walraven stated for the main meeting they will address the employer notification and she will review the standardized report list and hopefully bring that back as well.

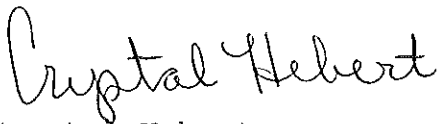
**NEW BUSINESS:** None

**MISCELLANEOUS BUSINESS** None

**ADJOURNMENT:**

MOTION 34: Moved, supported and carried to adjourn the meeting at 11:45 a.m.

Respectfully submitted,



Crystal Hebert  
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

**MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE**  
**APRIL 23, 2015**

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4<sup>TH</sup> FLOOR,  
BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 9:04 A.M.

**MOTIONS**

Trustee Morse departed the meeting at 9:35 a.m.

TRUSTEE	30	31	32	33	34					
BRZEZINSKI	E	E	E	E	E					
COONAN	E	E	E	E	E					
GRAY	Y	Y	Y	Y	Y					
GROMASKI	M-Y	M-Y	S-Y	M-Y	Y					
HEREK	E	E	E	E	E					
MORSE	Y	Y	A	A	A					
PETT	Y	S-Y	M-Y	Y	S-Y					
STARKWEATHER	S-Y	Y	Y	Y	M-Y					
GOETZ	Y	Y	Y	S-Y	Y					

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

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MAY 12, 2015 - REGULAR MEETING  
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**NOTE:** In addition to these typed minutes, this board meeting was also taped. These tapes are available for review in the Retirement Office

A meeting of the Board of Trustees was held on May 12, 2015 at 1:30 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

**Trustees Present:** Chairperson Gray, Mr. Brzezinski, Ms. Goetz, Mr. Gromaski, Mr. Herek, Mr. Morse, Mr. Pett, and Mr. Starkweather,.

**Trustees Absent:** None

**Also Present:**

Consultant: The Bogdahn Group: Howard Pohl  
Finance Officer: Crystal Hebert  
Retirement Administrator: Rebecca Marsters  
Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 1:31 p.m.

Motion 35: Moved, supported and carried to approve the minutes, as written, from the April 14, 2015 meeting.

Mr. Gray called for public input. Seeing no one from the public present, he moved onto petitions and communications.

Present today was Mr. Howard Pohl, Consultant, from The Bogdahn Group of Chicago, Illinois, to present the first quarter report. A copy was provided to all Trustees, in advance, via the web.

Mr. Pohl talked about market performance. It was a good quarter for International Securities. The MSCI AWC index was up over 3%. The EAFE index was up at about 5%. The emerging markets were not as strong, but still up to 2.3%. Good performance in the international space despite the headwind for the rising dollar. The domestic markets were up 1% for the quarter. The Mid Cap and the Russell 1000 index were both up 4%+. In the Bond market, the aggregate index gave a return of about 1.6%. Good quarter in the bond market.

Over the last year, basically zero returns in the international space. In the domestic area, the results are 12% and 13% for the S&P and Mid Cap. The only area that did not increase quite as well on an annual basis was the Small Cap Russell 2000. The bond market interest rates year over year declined.

Looking at assets of the most recent quarter, the Fund started the quarter with a little over \$308 million. Net flows of about \$3.2 million and over \$9 million of return on investments. Dividends and interest plus the appreciation in the quarter to end up at a little over \$314 million.

A year ago the Fund was about \$299.5 million. Net flows were almost \$13 million, typical of a mature plan that contributions are not going equal

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distributions, but there was \$27.5 million of return on investment. Very strong numbers there.

Target allocation versus asset allocation at quarter end showed the Fund is about 3.9% overweight in domestic common stocks. The most significant underweight is the real estate. Hopefully the call will come by the end of this quarter for the real estate. When that call comes to fund PRISA, the money primarily will be coming from domestic equities section and Ms. Hebert will be working with everybody on rebalancing targets.

Looking at performance, the return for the quarter was a little over 2.9% and the Fund ranked in the top 16% of all the plans in the country. The one-year column return at 12 months was 9.37% which ranked in the top 16%. For the last five years, compounding at 11.8% and ranking in the top 4% of all plans in the country.

He spoke about the individual managers. Virtually everybody underperformed this quarter. They were not only underperforming in other funds, but they were underperforming the indices in general. They are continuing to watch Geneva as well as Eagle Asset. Hotchkis & Wiley despite the poor quarter are still in the top docile for most of the longer time periods.

Trustee Brzezinski asked if Eagle's performance was lower because their risk is much lower. Mr. Pohl went over the Peer Group Scattergram on page 45 showing their volatility has basically been virtually identical to the index. They took the same amount of risk, but did not get the reward. He explained that risk relative to other plans with their investments in Small Cap growth is where the cross hairs are. They took less risk. Their main issue they have is a selectivity issue. They got hurt by some of their weightings but their selectivity helped here in this quarter.

Trustee Brzezinski stated getting back to his original question, if they are taking less risk, you would expect maybe perhaps a little less return. Mr. Pohl stated that is true. Their risk is the same as the market in this asset category. If you had just bought the Russell 2000 growth, you would have gotten a return of 7% or something like that. So that is where we want the fund to be positioned, we would just like to see better results

Next on the agenda was the correspondence from Mackay Shields. Mr. Pohl explained Mackay Shields would like to change some of the guidelines for their investment. The reason for the change is the market for investment-grade convertible securities has narrowed considerably. At the present time, in that area, there are only 41 issues and the top five issues comprise 42% of that index. At the same time, below investment-grade has continued to expand and there are far more opportunities to invest in terms of industry groups. There are several industry groups that are not represented at all in the current investment grade. There is risk by not investing in below investment-grade bonds because you are focusing on a very narrow set of industries and very few companies within those industries. So, you have issue and sector risks that are heightened versus where you were when those guidelines were



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established. Mackay Shields pointed out that going to the all-convertible index and allowing them to play in that pool that the credit risk goes up, but overall risk securities and other factors goes down tremendously. Trying to balance all those and looking at the way the portfolio is structured and all the different conservative approaches that have been taken, The Bogdahn Group tends to agree with them to let them go into what they are suggesting a bigger pool versus to have below investment-grade. They would be all credit quality. Convertible accounts have an overall credit rating of BB+, just one notch below investment grade. That is an average. They are not all at that level. Some are below and some are above. Mr. Pohl suggested allowing the changes Mackay Shields has recommended.

Trustee Brzezinski asked if convertible bonds were still an appropriate investment for the portfolio. Mr. Pohl stated he believes so explaining it offers more downside protection because of the fixed income component.

Trustee Brzezinski asked if they would have some that were considered junk bond level. Mr. Pohl stated he did not think they would have anything at junk bond.

Trustee Herek asked if there was a percentage of the portfolio that they want to use in that. Mr. Pohl stated it would be all of the portfolio.

Trustee Starkweather asked if Mr. Pohl had a recommendation as far as the investment-grade levels. Their request here is that they make the determination as long as it is a listed convertible bond that they could buy. Mr. Pohl stated basically yes.

Trustee Starkweather stated his concern about giving somebody carte blanche without some degree of control, some limitation. Mr. Pohl stated one could put in an overall credit quality like they have now BB+. He stated he could talk to them and state there is a minimum quality rating that the Board would feel comfortable with and say they could have carte blanche provided it is a bond rated x or above on the whole scale and see what they came back with.

Motion 36: Moved, supported and carried to accept the letter from MacKay Shields amending the BCERS convertible investment guidelines to allow the account to reflect the broader, all U.S. Convertible Index.

**Roll Call Vote:**

Brzezinski: No  
Coonan: Yes  
Goetz: Yes  
Gray: Yes  
Gromaski: Yes  
Herek: Yes  
Morse: Yes  
Pett: Yes  
Starkweather: No

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Motion 37: Moved, carried and supported to receive the first quarter 2015 report from The Bogdahn Group.

RES NO. 2015-17: Moved, carried and supported to adopt Resolution No. 2015-17 to receive the following monthly reports:  
PORTFOLIO VALUE - 1/1/15 - 3/31/15, CHANGE IN BOOK AND MARKET VALUE - 3/31/15; MONEY MANAGERS ON WATCH - NONE;  
MONEY MANAGER REPORTS: COLUMBIA - ENDING 3/31/15  
QUARTERLY, CORNERSTONE - ENDING 3/31/15, EAGLE ASSET MGMT - ENDING 3/31/15, GENEVA - ENDING 3/31/15;  
QUARTERLY PROXY VOTING REPORT 3/31/15, HOTCHKIS & WILEY - ENDING 3/31/15; QUARTERLY PROXY VOTING REPORT 3/31/15, INTEGRITY - ENDING 3/31/15  
QUARTERLY, MACKAY SHIELDS - ENDING 3/31/15; QUARTERLY PROXY VOTING REPORT 3/31/15, MFS INVESTMENT - ENDING 3/31/15; QUARTERLY PROXY VOTING REPORT 3/31/15, MFS HERITAGE TRUST - ENDING 3/31/15; QUARTERLY PROXY VOTING REPORT 3/31/15, SCHRODERS - ENDING 3/31/15; RECAPTURE SERVICES: ABEL/NOSER - SUMMARY ENDING 3/31/15, CAPIS - SUMMARY ENDING 3/31/15; NORTHERN TRUST SUMMARY EARNINGS 3/31/15, REFUNDS/RETIREMENTS - ENDING 4/30/15, BCERS YTD BUDGET REPORT - ENDING 3/31/15 and APPROVED EXPENSES - 4/30/15

Mr. Pett asked about the amount for \$17.62 for Gas, oil and grease on page 95 of the YTD Budget report. Mr. Brzezinski responded he believed that was the trip to Troy for the one-day conference with a County vehicle.

Next on the agenda was the Disability Retirement Policy. Ms. Walraven stated with the help of Ms. Marsters they are surveying other counties and county administrators to see what they are doing regarding how to standardize the medical forms and how they make sure they are notifying employers in a reasonable amount of time for the system and for the employer. Those results are coming in and they are reviewing those.

Ms. Walraven went over the current ordinance with the Board. She brought forth today the sections of the ordinance that relate to non-duty and duty disability retirements and also the application form and the procedures the member follows. She went through the requirements that a member must meet before they are considered incapacitated. Ms. Walraven talked with the Board and answered questions regarding having a standardized form for the Medical Director to answer the three questions that the member is 1)mentally or physically incapacitated for continued employment, 2)this is likely to be permanent and 3) that the member should be retired. She stated that in speaking with some trustees, a formalization of this may be just a form that might satisfy the requirement rather than the letters that are received from Dr. Herrick. There was also discussion regarding having the Medical Examiner make the recommendation for re-examination. That would be just a check box on the form by the Medical Director.

They talked about waiver of reexamination. Ms. Walraven stated the Board would need a recommendation from someone about what that waiver should be. The

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)  
MAY 12, 2015 - REGULAR MEETING  
PAGE 5

appropriate person would be the Medical Director to make the recommendation for waiver of examination and to either say not every year, do it every 3 years or every 5 years for a member. She believes the Board could decide on that time limit without a recommendation. She thinks that would be appropriate to ask the doctor to submit one.

The Board also discussed notification of the employer when a member applies for Disability Retirement.

She answered questions on when a disability benefit could be revoked. Once someone is 55 they cannot be required to be reexamined. Their pension cannot be revoked after age 55.

Ms. Walraven stated there were a lot of questions that still remain unanswered. Her question for the Board was what the Board thinks of the ordinance that is in place now; if they think that changes in the ordinance need to be made to accommodate the different procedures or if they are happy working within these guidelines and just making a decision mostly with reexaminations enforced going forward, or retroactively, or continuing on?

Regarding the issue of reexamination, Ms. Walraven suggests that the Board does it in a uniform manner if they are going to start; otherwise, someone could feel that the reason they are being targeted is retaliatory or discriminatory and that is a liability issue. She is not saying that the Board is obligated to reexamine everyone, just that if they are going to take the approach to reexamine, a less risky approach is to examine everyone on a uniform basis. However, the Board does have the right to only reexamine if they have notice of an actual abuse.

Motion 38: Moved, no support to continue with the current Disability Retirement Policy. FAILED FOR LACK OF SUPPORT. NO VOTE TAKEN.

Trustee Starkweather asked if this Board had the authority to modify the Bay County's ordinance. Ms. Walraven stated she does not believe we can modify the ordinance, the language of the ordinance, but this Board would have the right to implement procedures to effectuate the ordinance. A recommendation could be made to the Board of Commissioners if there was an area that needed to be changed or tweaked. She stated it is in the Board's purview to make the procedures to effectuate this. So, implementing the re-examination and implementing the questionnaires those are all things that are in the purview of this Board.

Motion 39: Moved, supported and carried to table the Disability Retirement Policy until the research on Survey of other Counties and their procedures is completed.

The next item on the agenda was non-duty disability retirements.

Res No. 2015-18: Moved, supported and carried to adopt Res No. 2015-18 to approve the non-duty disability retirement for Laura Janowicz.

**MINUTES** BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)  
MAY 12, 2015 - REGULAR MEETING  
PAGE 6

Res No. 2015-19: Moved, supported and carried to adopt Res No. 2015-19 to approve the non-duty disability retirement for Stacy Fletcher.

**ANNOUNCEMENTS:**

A. Next regularly scheduled meeting will be Tuesday, June 9, 2015 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4<sup>th</sup> Floor, Bay City, MI 48708.

**UNFINISHED BUSINESS:** None

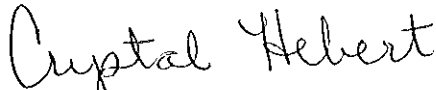
**NEW BUSINESS:** None

**MISCELLANEOUS BUSINESS** None

**ADJOURNMENT:**

MOTION 40: Moved, supported and carried to adjourn the meeting at 2:50 p.m.

Respectfully submitted,



Crystal Hebert  
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

**MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE**  
**MAY 12, 2015**

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4<sup>TH</sup> FLOOR,  
BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 1:31 P.M.

**MOTIONS**

TRUSTEE	35	36	37	38	39	40				
BRZEZINSKI	S-Y	N	Y		Y	Y				
COONAN	Y	S-Y	Y		Y	Y				
GOETZ	Y	Y	S-Y		Y	Y				
GRAY	Y	Y	Y		Y	Y				
GROMASKI	M-Y	Y	Y		Y	Y				
HEREK	Y	M-Y	Y		M-Y	M-Y				
MORSE	Y	Y	Y		Y	Y				
PETT	Y	Y	Y		S-Y	Y				
STARKWEATHER	Y	N	M-Y		Y	S-Y				

**\* MOTION 38 FAILED DUE TO LACK OF SUPPORT. NO VOTE TAKEN**

**CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED**

MEETING OF THE **BCERS** BOARD OF TRUSTEES COMMITTEE  
MAY 12, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4<sup>TH</sup> FLOOR,  
BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY 1:31 P.M.

**RESOLUTIONS**

TRUSTEE	2015-17	2015-18	2015-19						
BRZEZINSKI	Y	Y	Y						
COONAN	Y	Y	Y						
GRAY	Y	Y	Y						
GROMASKI	Y	Y	Y						
HEREK	Y	M-Y	Y						
MORSE	M-Y	Y	S-Y						
PETT	S-Y	S-Y	M-Y						
STARKWEATHER	Y	Y	Y						
GOETZ	Y	Y	Y						

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

**BAY COUNTY RETIREMENT BOARD**

06/09/2015

**RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD

RESOLVED By the Bay County Retirement Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/15 - 5/31/15
2. CHANGE IN BOOK AND MARKET VALUE - 4/30/15
3. MONEY MANAGERS ON WATCH - NONE
4. MONEY MANAGER REPORTS
  - a. BAIRD - ENDING 3/31/15
  - a. CORNERSTONE - ENDING 4/30/15
  - b. EAGLE ASSET MGMT - ENDING 4/30/15
  - d. HOTCHKIS & WILEY - ENDING 4/30/15
  - f. LOOMIS SAYLES - ENDING 4/30/15
  - g. MACKAY SHIELDS - ENDING 4/30/15
  - h. MFS INVESTMENT - ENDING 4/30/15
  - i. MFS HERITAGE TRUST - ENDING 4/30/15
  - k. PRISA - 1Q15 PRISA COMBINED REPORT, PRISA LP FS 1Q15, PRISA UHC CONSOLIDATED FS 1Q15 - **AVAILABLE UPON REQUEST**
5. RECAPTURE SERVICES
  - a. ABEL/NOSER - SUMMARY ENDING 4/30/15
  - b. CAPIS - SUMMARY ENDING 4/30/15
6. NORTHERN TRUST SUMMARY EARNINGS -4/30/15
7. REFUNDS/RETIREMENTS -ENDING 5/31/15
8. BCERS YTD BUDGET REPORT - ENDING 5/31/15
9. APPROVED EXPENSES - 5/31/15

STEVE GRAY, CHAIR  
AND BOARD

MONTHLY REPORTS JUNE

MOVED BY TRUSTEE \_\_\_\_\_

SUPPORTED BY TRUSTEE \_\_\_\_\_

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

# Pension MGR Mix

29 May 15

Account number 8765

FAMILY CODE FAM8765

Page 1 of 2

## ◆ Manager Mix

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total market value/ % of consolidation
*BAYCO - COLUMBIA MANAGEMENT 2608694	0.00 0.00%	131,496.43 0.41%	31,701,946.75 99.59%	0.00 0.00%	0.00 0.00%	0.00 0.00%	31,833,443.18 10.09%
*BAYCO - BAIRD 2618668	0.00 0.00%	1,717,985.61 6.67%	0.00 0.00%	24,316,109.98 94.35%	0.00 0.00%	-261,930.70 -1.02%	25,772,264.89 8.17%
*BAYCO - SCHROEDERS 2618669	0.00 0.00%	0.00 0.00%	27,997,967.88 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	27,997,967.88 8.87%
*BAYCO - MACKAY SHIELDS 2622490	0.00 0.00%	799,285.54 5.10%	2,904,285.57 18.53%	11,973,177.46 76.38%	0.00 0.00%	0.00 0.00%	15,676,728.57 4.97%
*BAYCO - HOTCHKISS & WILEY 2622536	0.00 0.00%	164,799.32 1.44%	11,285,817.80 98.76%	0.00 0.00%	0.00 0.00%	-23,601.57 -0.21%	11,427,015.55 3.62%
*BAYCO - CASH 2639953	0.00 0.00%	3,547,541.80 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	3,547,541.80 1.12%
ZZBAYCO - DENVER INV ADV 2639956	0.00 0.00%	0.11 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.11 0.00%
*BAYCO - LOOMIS SAYLES 2641401	0.00 0.00%	310,478.80 0.86%	0.00 0.00%	36,116,367.00 99.62%	0.00 0.00%	-172,535.70 -0.48%	36,254,310.10 11.48%
*BAYCO GENEVA CAPITAL MGMT 2649057	0.00 0.00%	1,074,482.27 4.31%	23,678,859.52 95.77%	0.00 0.00%	0.00 0.00%	-21,097.17 -0.08%	24,932,254.62 7.90%
*BAYCO - VANGUARD LG CAP CO-SL 2649840	0.00 0.00%	0.00 0.00%	31,052,702.90 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	31,052,702.90 9.84%
*BAYCO - INTEGRITY -SL 2653308	0.00 0.00%	460,618.66 2.04%	21,943,866.80 96.96%	0.00 0.00%	0.00 0.00%	227,039.65 1.00%	22,631,526.11 7.17%
*BAYCO-MFS INTL GROWTH CIT-SL 2653675	0.00 0.00%	0.00 0.00%	26,300,081.20 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	26,300,081.20 8.33%
*BAYCO - PRISA 2655261	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	585,897.00 100.00%	0.00 0.00%	585,897.00 0.19%
*BAYCO - CORNERSTONE REALES-SL 2663296	0.00 0.00%	76,802.50 0.55%	13,822,769.86 99.52%	0.00 0.00%	0.00 0.00%	-10,272.10 -0.07%	13,899,300.26 4.40%
*BAYCO - MFS INVESTMENTS -SL 2663654	0.00 0.00%	846,216.21 2.55%	32,288,744.83 97.36%	0.00 0.00%	0.00 0.00%	29,388.17 0.09%	33,164,346.21 10.51%

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# Pension MGR Mix

29 May 15

Account number 8765

FAMILY CODE FAM8765

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## ◆ Manager Mix

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total market value/ % of consolidation
*BAYCO - EAGLE ASSET 2695063	0.00 0.00%	220,806.15 2.10%	10,184,065.27 96.80%	0.00 0.00%	0.00 0.00%	116,379.19 1.11%	10,521,250.61 3.33%
BAYCO-BARRINGS BYC03	-10.58 -0.11%	0.00 0.00%	0.00 0.00%	0.00 0.00%	10,075.95 100.11%	0.00 0.00%	10,065.37 0.00%
<b>Total for consolidation</b>	<b>-10.58</b>	<b>9,350,503.40</b>	<b>233,361,008.38</b>	<b>72,405,664.44</b>	<b>695,972.95</b>	<b>-116,530.23</b>	<b>315,596,698.36</b>
<b>% for consolidation</b>	<b>0.00%</b>	<b>2.96%</b>	<b>73.94%</b>	<b>22.94%</b>	<b>0.19%</b>	<b>-0.04%</b>	<b>100.00%</b>

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RET.	BAIRD	BARINGS	CORNERSTONE	DENVER	EAGLE (RJEN)	GENEVA	HOTCHKIS & WILEY	LOOMIS SAYLES	MACKEY SHIELDS	MFS	MFS INTER-NATIONAL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	PRISA	CASH	TOTAL
2015	63541	1539	444	20624	2000	4200	5242	2032	2592	423	20592	5119	552	4407				
JAN	25,954,494.81	18,548.92	14,930,255.11	0.11	8,748,890.22	22,738,052.32	10,466,425.37	36,773,554.50	19,088,857.01	46,475,341.50	15,278,006.70	21,347,500.05	17,388,557.17	44,653,307.82	14,649,350.99		4,580,089.44	304,085,341.84
FEB	25,899,772.32	18,293.74	14,500,330.44	0.11	10,308,479.56	24,218,314.77	11,215,546.48	35,689,838.38	24,428,781.07	33,165,871.83	24,740,538.82	22,445,787.78	26,406,553.80	31,837,449.56	30,858,317.96		3,437,191.54	318,865,088.16
MARCH	25,849,811.06	17,825.39	14,791,781.56	0.11	10,435,015.36	24,485,890.35	11,236,212.23	36,689,891.43	18,916,352.84	32,780,556.90	25,585,791.38	22,555,526.87	26,587,122.19	31,178,272.37	30,369,218.58		595,897.00	314,297,332.51
APRIL	25,791,296.30	18,349.91	13,913,879.08	0.11	10,060,308.23	24,420,047.69	11,231,578.62	36,471,974.37	15,991,922.14	32,576,453.55	25,376,195.39	22,080,940.19	27,680,024.81	31,524,713.33	30,658,694.29		4,598,077.37	312,951,350.48
MAY	25,772,264.89	10,065.37	13,899,300.28	0.11	10,521,250.81	24,932,254.82	11,427,015.55	36,254,310.10	15,678,728.57	33,164,349.21	26,300,091.20	22,831,525.11	27,897,867.88	31,833,443.18	31,052,702.90		585,897.00	315,595,598.36
JUNE																	0.00	0.00
JULY																	0.00	0.00
AUG																	0.00	0.00
SEPT																	0.00	0.00
OCT																	0.00	0.00
NOV																	0.00	0.00
DEC																	0.00	0.00

2015	BAIRD	BARINGS	CORNERSTONE	DENVER	EAGLE	GENEVA	HOTCHKIS & WILEY	LOOMIS SAYLES	MACKEY SHIELDS	MFS	MFS INTL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	PRISA	CASH	TOTAL
1ST QTR	19,281.01		22,100.96		27,174.37	44,650.00		27,930.90		59,056.53		45,219.00		38,937.90			2,818,673.90	3,103,024.57
2ND QTR																	0.00	0.00
3RD QTR																	0.00	0.00
4TH QTR																	0.00	0.00
2014 YTD	19,281.01	0.00	22,100.96	0.00	27,174.37	44,650.00	0.00	27,930.90	0.00	59,056.53	0.00	45,219.00	0.00	38,937.90			0.00	3,103,024.57

[INVESTMENT MANAGER FEES ARE PAID FROM: 73127400 80100 (Professional Services)]

BAIRD  
BARING  
COLUMBIA  
CORNERSTONE REAL ESTATE  
EAGLE  
GENEVA  
HOTCHKIS & WILEY  
LOOMIS SAYLES  
MACKEY SHIELDS  
MFS  
SCHRODER  
WENTWORTH

GOVERNMENTAL FIXED INCOME MANAGER  
LARGE CAP DEEP VALUE MANAGER  
REAL ESTATE INVESTMENT TRUST MANAGER  
SMALL CAP GROWTH MANAGER  
MID-CAP GROWTH MANAGER  
SMALL CAP VALUE MANAGER  
CORPORATE BOND MANAGER  
CONVERTIBLE BOND MANAGER  
LARGE CAP GROWTH EQUITY MANAGER  
INTERNATIONAL SMALL/MID CAP EQUITY MANAGER  
LARGE CAP CORE MANAGER

# Portfolio Statement

1 APR 15 - 30 APR 15

Account Number 8765  
Account Name FAMILY CODE FAM8765

## Change in Book and Market Value

Page 1 of 135

	Cost	Market value	For more information
Opening balance	259,598,898.68	314,127,891.30	
Miscellaneous Cash Receipts	127,973.68	127,973.68	See funding & disbursement summary
Participant Contributions	85,521.98	85,521.98	See funding & disbursement summary
Sponsor Contributions	378,505.23	378,505.23	See funding & disbursement summary
Interportfolio Transfers In	3,000,000.00	3,000,000.00	See funding & disbursement summary
Benefit Payment Redeposits	3,160.52	3,160.52	See funding & disbursement summary
Total receipts	3,595,161.41	3,595,161.41	See funding & disbursement summary
Interportfolio Transfers Out	- 3,000,000.00	- 3,000,000.00	See funding & disbursement summary
Benefit Payments / Beneficiary Payments	- 1,333,807.59	- 1,333,807.59	See funding & disbursement summary
Total disbursements	- 4,333,807.59	- 4,333,807.59	See funding & disbursement summary
Income received	353,303.89	353,303.89	See income & expense summary, cash activity detail
Expenses paid	- 6,567.20	- 6,567.20	See income & expense summary
Unrealized gain/loss change	0.00	- 408,911.19	See asset summary
Realized gain/loss	562,828.63	562,828.63	See realized gain/loss summary
Accrued income change	- 15,501.78	- 15,501.78	See income & expense summary
Closing balance	259,754,316.04	313,874,397.47	

Northern Trust

Generated by Northern Trust from periodic data on 14 May 15

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Charles B. Groeschell  
Managing Director  
Senior Portfolio Manager  
Baird Advisors

April 28, 2015

Ms. Rebecca Marsters  
Retirement Administrator  
Bay County Employees' Retirement System  
515 Center Avenue, Suite 706  
Bay City, MI 48708-5128

Dear Rebecca:

Enclosed please find a summary review as of March 31, 2015 for the Bay County Employees' Retirement System Portfolio managed by Baird Advisors.

**Market Review**

Many of the global and domestic themes that drove bond market performance last year remained in place during the first quarter of 2015 including ongoing weakness in global growth outside the U.S., the strength of the dollar as a result of divergent central bank policies and uncertainty surrounding the timing and magnitude of Fed tightening. In addition, yields were pushed lower due to both uncertainty regarding whether the slowdown in U.S. growth during the quarter was temporary or not and the Fed recalibrating its expectations both for U.S. economic growth and the future path of its policy rate. As a result, the bond market extended its strong 2014 performance delivering solid returns in the quarter as rates across the duration spectrum continued to decline and the yield curve continued to generally flatten.

Please find attached a copy of our March 2015 Bond Market Comments which provides a more detailed review of the market.

**Performance Update**

During the 1<sup>st</sup> quarter, the Bay County Employees' Retirement System Portfolio generated attractive absolute and relative returns versus its custom benchmark. The Portfolio's sustained exposure to select, well-structured agency commercial mortgage-backed securities (CMBS) and high-quality agency residential mortgage-backed securities (RMBS) continues to drive performance as supply remains tight and demand strong for these well-structured securities. The

Robert W. Baird & Co.  
777 E Wisconsin Ave  
Milwaukee WI 53202  
Direct 414 298-1063  
Toll Free 888 792-9813  
Fax 414 298-1078  
Email [cgroeschell@rwbaird.com](mailto:cgroeschell@rwbaird.com)  
[rwbaird.com](http://rwbaird.com)

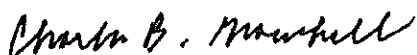
A handwritten signature in dark ink, appearing to be "CG" or similar initials, located at the bottom center of the page.

Portfolio also continued to benefit from its yield curve positioning as the yield curve flattened considerably out to five year maturities.

We remain in an elevated risk environment as market participants and the Fed adjust growth expectations based on recent economic information. In this environment, our security selection process is proving beneficial as we are able to identify and acquire targeted agency CMBS and agency RMBS issues possessing strong relative value for addition to the Portfolio. As in 2014, the Portfolio should modestly benefit from its yield curve positioning as the yield curve continues to flatten. The Portfolio remains duration neutral to its benchmark and we remain optimistic that it is well positioned to add value relative to its benchmark.

In addition, we have enclosed a copy of the Baird Advisors ADV brochure supplement. Thank you for your continued confidence in our fixed income capabilities. Please let us know if you have any questions as you review this information.

Sincerely,



Charles B. Groeschell

cc: Crystal Herbert - Bay County Employees' Retirement System  
Tiffany Jerry - Bay County Employees' Retirement System  
Tracy Cederquist - Bay County Employees' Retirement System  
Howard Pohl - The Bogdahn Group  
Peter Brown - The Bogdahn Group

# Bay County Employees' Retirement System

## Fixed Income Portfolio

March 31, 2015

	Fixed Income Portfolio	Custom Benchmark
Average Quality	AA	AAA
Average Coupon	3.51 %	2.95 %
Current Yield	3.13 %	2.78 %
Yield to Maturity	1.72 %	1.82 %
Duration	4.55 years	4.55 years
Average Maturity	5.71 years	6.44 years

### Quality Profile

US Treasury	32.2 %	45.8 %
Agency	63.9 %	54.2 %
Aaa	3.9 %	0.0 %
Aa	0.0 %	0.0 %
A	0.0 %	0.0 %
Baa	0.0 %	0.0 %
	<hr/> 100.0 %	<hr/> 100.0 %

### Sector Profile

US Treasury	32.2 %	45.8 %
Agency	1.5 %	4.2 %
Mortgages/CMOs	43.6 %	50.0 %
Asset-Backed	0.0 %	0.0 %
CMBS	18.8 %	0.0 %
Other Govt	0.0 %	0.0 %
Industrial	0.0 %	0.0 %
Utility	0.0 %	0.0 %
Financial Institutions	0.0 %	0.0 %
Cash	3.9 %	0.0 %
	<hr/> 100.0 %	<hr/> 100.0 %

<b>Number of Issues</b>	88	1,311
-------------------------	----	-------

<b>Market Value</b>	\$25,849,611
---------------------	--------------

Custom benchmark is comprised of 50% Barclays U.S. Government/50% Barclays U.S. MBS

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**Baird Advisors**  
**Performance Summary**

3/31/2006 - 3/31/2015



**Bay County Employees' Retirement System**

---

	<b>Portfolio Performance Gross of Fees</b>	<b>Custom Benchmark*</b>
1 Month Return	0.57%	0.49%
Trailing 3 Months	1.49%	1.33%
Year to Date	1.49%	1.33%
Trailing 12 Months	5.72%	5.38%
3 Year	2.58%	2.43%
5 Year	3.89%	3.72%
7 Year	4.41%	4.09%
Annualized Since Inception	5.11%	4.95%
Cumulative Since Inception	56.57%	54.41%
Market Value as of 3/31/2015	\$25,849,611	

The performance is presented on a cumulative compound and annualized basis and does not reflect the deduction of investment advisory fees. Returns would be reduced by an advisory fee and other fees such as custodial expenses; refer to the client contract for client specific fee schedule. All returns are calculated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports. The Baird Advisors Brochure is available upon request.

\*The current benchmark is the custom benchmark of 50% Barclays U.S. Government/50% Barclays U.S. MBS which is an unmanaged portfolio of specific securities. Direct investment in the index is not available.

# Baird Advisors Performance Summary

3/31/2006 - 3/31/2015



## Bay County Employees' Retirement System

---

	Portfolio Performance Net of Fees	Custom Benchmark*
1 Month Return	0.55%	0.49%
Trailing 3 Months	1.42%	1.33%
Year to Date	1.42%	1.33%
Trailing 12 Months	5.41%	5.38%
3 Year	2.27%	2.43%
5 Year	3.58%	3.72%
7 Year	4.10%	4.09%
Annualized Since Inception	4.79%	4.95%
Cumulative Since Inception	52.43%	54.41%
Market Value as of 3/31/2015	\$25,849,611	

The performance is presented on a cumulative compound and annualized basis net of fees. Returns would be reduced by an advisory fee and other fees such as custodial expenses; refer to the client contract for client specific fee schedule. All returns are calculated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports. The Baird Advisors Brochure is available upon request.

\*The current benchmark is the custom benchmark of 50% Barclays U.S. Government/50% Barclays U.S. MBS which is an unmanaged portfolio of specific securities. Direct investment in the index is not available.



**Baird Advisors**

777 East Wisconsin Avenue  
Milwaukee, Wisconsin 53202  
Toll Free: 800-792-2473  
[www.bairdadvisors.com](http://www.bairdadvisors.com)

**Form ADV Part 2A Brochure  
Summary of Material Changes**

March 31, 2015

Baird Advisors, an investment management department operating within Robert W. Baird & Co. Incorporated ("Baird"), updated its Form ADV Part 2A brochure (the "Brochure") on March 31, 2015. The following summary discusses the material changes that Baird Advisors has made to the Brochure since March 31, 2014, the date of the last annual update to the Brochure.

- Baird Advisors has updated the information about Baird's regulatory assets under management and certain of Baird's affiliates. See the Sections of the Brochure entitled "Advisory Business" and "Other Financial Industry Activities and Affiliations" for more information.
- Baird Advisors has increased the minimum value required to open an account to \$50 million. If a client has separate account assets and assets invested in the Baird Funds, Baird Advisors will attempt to credit the client the difference between the management fees borne by the client with respect to their Baird Fund holdings and the advisory fees the client would have paid had their Baird Fund holdings been included in the client's advisory fee calculation. See the Section of the Brochure entitled "Fees and Compensation—Advisory Fee" for more specific information and limitations that apply.
- Baird Advisors has updated information about certain risks of investing, including those associated with rising interest rates and the cessation of the quantitative easing bond buying program by the Federal Reserve. See the Section of the Brochure entitled "Methods of Analysis, Investment Strategies and Risk of Loss—Principal Risks—Recent Market Events" for more information.

A client should note that the foregoing summary only discusses material changes made to the Brochure since March 31, 2014. The updated Brochure contains changes that are not listed above.

Baird Advisors will provide a client with a copy of the updated Brochure without charge. A client may obtain a copy of the updated Brochure by calling Baird Advisors at the toll-free number above. The Brochure and additional information about Baird is also available on the Investment Adviser Public Disclosure ("IAPD") system at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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800-792-2473  
[rwbaird.com](http://rwbaird.com)

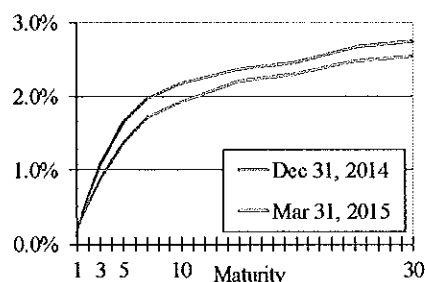
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SEC File No. 801-7571

**Baird Advisors**  
**Fixed Income Market Comments**  
**March 2015**

### Yields Decline for Month, Quarter

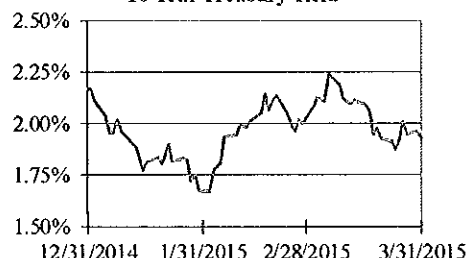
The 10-year treasury declined 7 basis points (bps) for the month and 24 bps for the quarter ending at 1.93% on 3/31/15. Interest rate volatility increased in the first quarter as 10-year yields traded in a fairly wide 57 bps range (1.67% to 2.24%). Despite the Fed removing the word "patient" from its policy statement (telling the market that the first rate increase could now occur at any future FOMC meeting), yields on intermediate and long Treasuries fell in response to the Fed lowering their multi-year projections for future policy rates, growth, and inflation. Any continued positive economic data (February nonfarm payrolls +295K) may enable the Fed to commence policy tightening, even as inflation remains nearly nonexistent (Feb. +0.0% CPI year over year), temporarily suppressed in part by a strong U.S. dollar and the drop in oil prices. Additionally, Chairwoman Yellen has commented that the first fed funds rate increase may occur while inflation remains below the committee's 2% target.

#### Treasury Yields



Maturity	12/31/14	3/31/15	1Q Change
1	0.21%	0.23%	0.02%
2	0.66%	0.56%	-0.10%
3	1.07%	0.88%	-0.19%
5	1.65%	1.37%	-0.28%
7	1.97%	1.71%	-0.26%
10	2.17%	1.93%	-0.24%
30	2.75%	2.54%	-0.21%

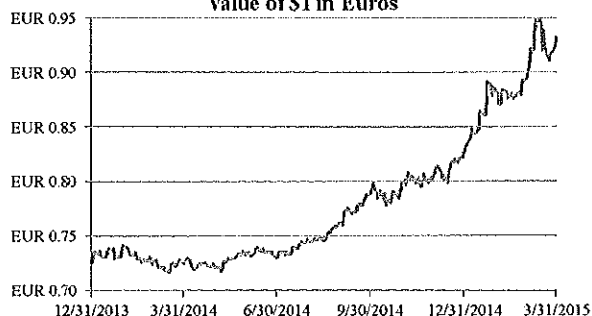
#### 10 Year Treasury Yield



### European Central Bank commences Quantitative Easing

In January the European Central Bank (ECB) announced a long-awaited quantitative easing (QE) program, and began buying securities (predominantly European Sovereign bonds) in March, which has contributed to negative yields on global bonds. Approximately 16% of sovereign bonds in the J.P. Morgan Global Government Bond Index are trading at negative yields. The divergence in global central bank policies, with the U.S. preparing to tighten while the ECB begins QE has driven global capital flows into U.S. markets and contributed to a 12.7% appreciation of the U.S. Dollar vs the Euro in the quarter (see graph at right).

#### US Dollar Appreciates Value of \$1 in Euros



### Solid March Returns Conclude Quarter

Declining yields added to bond market returns, allowing all major sectors to finish the first quarter in positive territory. In spite of a record-setting quarter with \$379 billion of gross fixed-rate, investment-grade credit issuance, U.S. Corporates (+2.32%) handily posted the strongest investment grade sector returns. Mortgage-Backed Securities (+1.06%) lagged the pack for the quarter as interest rate volatility rose and federal housing policy changes spurred additional mortgage refinancing activity, inducing higher prepayments on premium-priced MBS securities. Corporate High Yield returns ended with the strongest overall quarterly performance (+2.52%) even with months such as March (-0.55%) that were hampered by declines in oil-related industries.

#### Total Returns of Selected Barclays Indices and Subsectors

Barclays Index/Sector	March	1Q 2015
U.S. Aggregate Index	0.46%	1.61%
U.S. Gov't/Credit Index	0.50%	1.84%
U.S. Intermediate Gov't/Credit Index	0.49%	1.45%
U.S. 1-3 Yr. Gov't/Credit Index	0.23%	0.59%
U.S. Treasury	0.63%	1.64%
U.S. Agency	0.43%	1.17%
MBS (Mortgage-Backed Securities)	0.37%	1.06%
CMBS (Commercial Mortgage-Backed Securities)	0.63%	1.77%
ABS (Asset-Backed Securities)	0.41%	0.90%
U.S. Corporate - Investment Grade	0.32%	2.32%
Corporate High Yield	-0.55%	2.52%
Municipal Bond Index	0.29%	1.01%
TIPS (Treasury Inflation Protected Securities)	-0.47%	1.42%

## Disclosures

This is not a complete analysis of every material fact regarding any company, industry or security. The information has been obtained from sources we consider to be reliable, but we cannot guarantee the accuracy.

Fixed income is generally considered to be a more conservative investment than stocks, but bonds and other fixed income investments still carry a variety of risks such as interest rate risk, credit risk, inflation risk, and liquidity risk. In a rising interest rate environment, the value of fixed-income securities generally decline and conversely, in a falling interest rate environment, the value of fixed-income securities generally increase. High yield securities may be subject to heightened market, interest rate or credit risk and should not be purchased solely because of the stated yield.

Indices are unmanaged, and are not available for direct investment. *Past performance is not a guarantee of future results.*

The Barclays Aggregate Bond Index is an index comprised of approximately 6000 publicly traded bonds including U.S. Government, mortgage-backed, corporate, and Yankee bonds with an average maturity of approximately 10 years.

The Barclays Government/Credit Index is a combination of the Government Index which measures government-bond general and Treasury funds, and the Credit Bond Index, which is a market value-weighted index which tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC registered, investment grade Corporate Debt.

The Barclays Intermediate Government/Credit Index is a combination of the Government Index which measures government-bond general and Treasury funds, and the Credit Bond Index, which is a market value-weighted index which tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC registered, investment grade Corporate Debt with maturities between one and ten years.

The Barclays Government/Credit Intermediate Index (1 – 3 yr.) is a combination of the Government Index which measures government-bond general and Treasury funds, and the Credit Bond Index, which is a market value-weighted index which tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC registered, investment grade Corporate Debt with maturities between zero and three years.

The Barclays U.S. Treasury Index includes public obligations of the U.S. Treasury. Treasury bills are excluded by the maturity constraint of at least one year but are part of a separate Short Treasury Index. In addition, certain special issues, such as state and local government series bonds (SLGs), as well as U.S. Treasury TIPS, are excluded. STRIPS are excluded from the index because their inclusion would result in double-counting. Securities in the Index roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices. The U.S. Treasury Index was launched on January 1, 1973.

U.S. Agency: This index is the U.S. Agency component of the U.S. Government/Credit index. Publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government (such as USAID securities). The largest issues are Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System (FHLB). The index includes both callable and non-callable agency securities.

U.S. Corporate – Investment Grade: This index is the Corporate component of the U.S. Credit index. It includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

CMBS (Commercial Mortgage-Backed Securities): This index is the CMBS component of the U.S. Aggregate index. The Barclays CMBS ERISA-Eligible Index is the ERISA-eligible component of the Barclays CMBS Index. This index, which includes investment grade securities that are ERISA eligible under the underwriter's exemption, is the only CMBS sector that is included in the U.S. Aggregate Index.

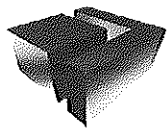
MBS (Mortgage-Backed Securities): This index is the U.S. MBS component of the U.S. Aggregate index. The MBS Index covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The MBS Index is formed by grouping the universe of over 600,000 individual fixed rate MBS pools into approximately 3,500 generic aggregates.

ABS (Asset-Backed Securities): This index is the ABS component of the U.S. Aggregate index. The ABS index has three subsectors: credit and charge cards, autos, and utility. The index includes pass-through, bullet, and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche. The Manufactured Housing sector was removed as of January 1, 2008, and the Home Equity Loan sector was removed as of October 1, 2009.

Corporate High Yield: The Barclays U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included.

The Barclays Municipal Bond Index is a broad-based, total-return index. The bonds are all investment-grade, tax-exempt, and fixed-rate securities with long-term maturities (greater than 2 years). They are selected from issues larger than \$50 million.

The Barclays TIPS Index consists of Treasury Inflation Protected Securities (TIPS). TIPS are securities whose principal is tied to the Consumer Price Index. TIPS pay interest semi-annually, based on the fixed rate applied to the adjusted principal.



CORNERSTONE

**PERFORMANCE HISTORY**

**Bay County Employees' Retirement System**

**U.S. REIT Strategy**

**Percent Total Return  
Per Period**

Time Period	4/30/2015	Portfolio		FTSE/NAREIT Equity REIT Index
		Gross	Net	
1 Month		-5.87%	-5.92%	-5.49%
YTD		-0.83%	-1.02%	-1.00%
1 Year		16.24%	15.55%	13.39%
3 Year		12.41%	11.74%	10.99%
5 Year		14.24%	13.57%	12.92%
Inception (October 21, 2008)		17.26%	16.56%	15.08%

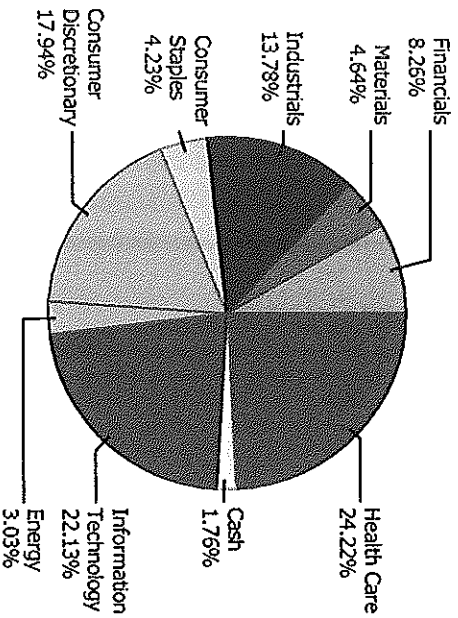
## Bay County Employees' Retirement System - 05231100

Portfolio Style: SmallCap Growth Equity

### Portfolio Summary

	Month To Date	Year To Date
Beginning Market Value	10,434,999.51	10,177,409.68
Contributions	0.00	666.36
Withdrawals	-46.56	-99.20
Dividend and Interest Income	3,318.28	19,563.62
Change in Market Value	-377,970.52	-137,239.75
Ending Market Value	10,060,300.71	10,060,300.71

### Industry Weightings



### Performance Summary

	MTD	QTD	YTD	1 Year	3 Years	5 Years	Annualized Since Inception
Gross	-3.59	-3.59	-1.16	9.73	13.92		17.21
Net	-3.79	-3.79	-1.58	8.78	12.88		16.24
RU20GRTR <sup>1</sup>	-2.94	-2.94	3.49	14.65	17.22		19.87

<sup>1</sup> Russell 2000 Growth Index

Performance is based on fiscal year end of portfolio

### Top Ten Holdings

Security Description	Total Market Value	% of Market Value
MARTIN MARIETTA MATERIALS	253,489.05	2.52%
UNIVERSAL ELECTRONICS INC	236,203.26	2.35%
IMPERVA INC	222,078.16	2.21%
QUAKER CHEMICAL CORP	212,793.54	2.12%
NATUS MEDICAL INC	204,350.49	2.03%
GENESCO INC	203,107.95	2.02%
CENTENE CORP	198,739.94	1.98%
JE1BLUE AIRWAYS CORP	185,180.60	1.84%
CAVUM INC	183,290.91	1.82%
BELMOND LTD-CLASS A	173,761.28	1.73%

## 32

Month Ended April 30, 2015

32

32

# performance review

april 2015

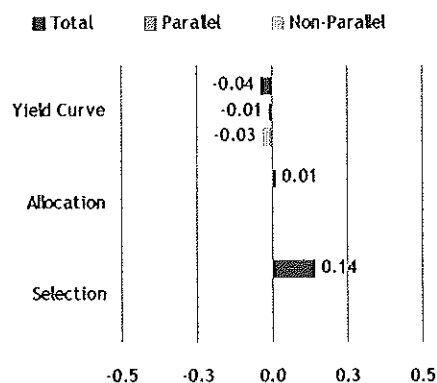
## CURRENT MONTH TOTAL RETURNS (%)

Account Return	-0.59
Benchmark Return	-0.70
Excess Return	0.11

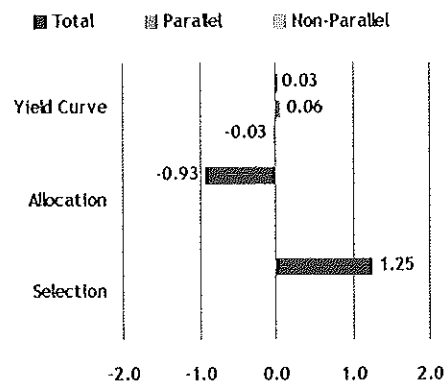
## TRAILING YEAR TOTAL RETURNS (%)

Account Return	5.34
Benchmark Return	4.81
Excess Return	0.54

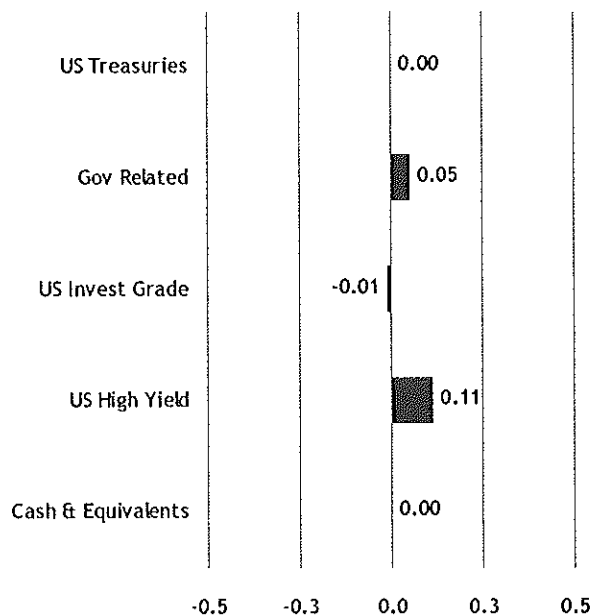
## CURRENT MONTH EXCESS RETURN ATTRIBUTION (%)



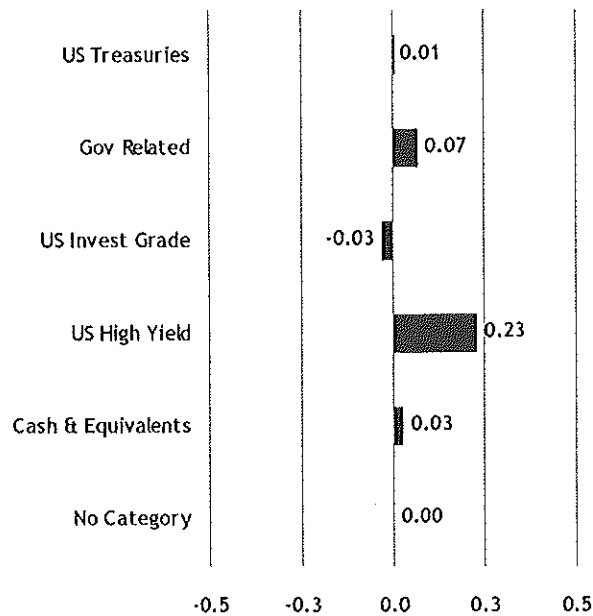
## TRAILING YEAR EXCESS RETURN ATTRIBUTION (%)



## EXCESS RETURN ATTRIBUTION BY SECTOR (%)



## EXCESS RETURN ATTRIBUTION BY SECTOR (%)



The Attribution benchmark is Barclays U.S. Corporate Investment Grade. Figures on bar charts may not add up to total excess return as they exclude impact of trading and pricing differences. Attribution account returns are gross of fees. Excess Return by sector excludes yield curve impact. Data Source: Barclays Capital



LOOMIS | SAYLES

Bay County Employees Ret System

# performance review

april 2015

## PERFORMANCE (%)

	ACCOUNT (GROSS)	BENCHMARK
Apr 15	-0.59	-0.70
YTD	1.80	1.60
1 Year Trailing	5.34	4.81
3 Year Trailing	5.62	4.48
5 Year Trailing	7.11	5.89
1/31/97 - 4/30/15 Annualized	7.05	6.38

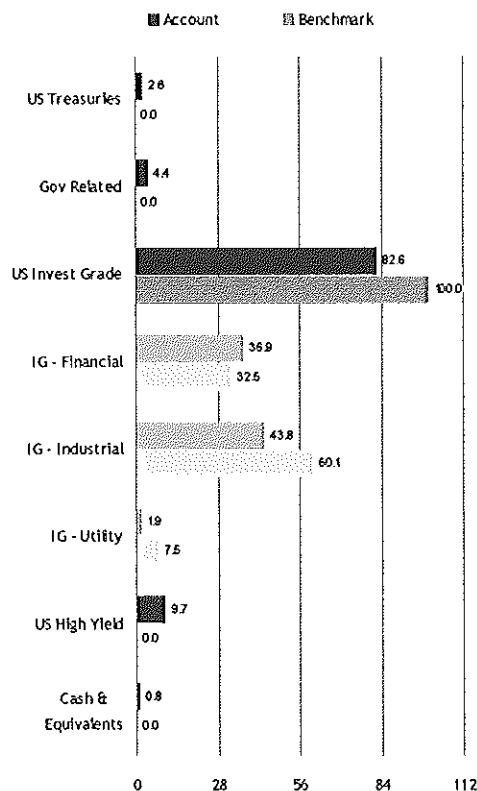
## MARKET VALUE

\$36,474,674

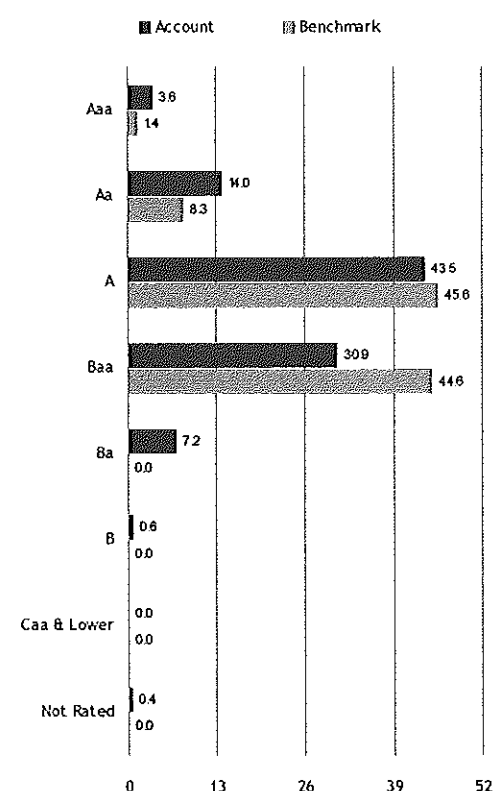
## CHARACTERISTICS

Effective Duration	7.39 years	7.25 years
Average Maturity	10.69 years	10.59 years
Yield	3.20%	2.96%
Average Quality	Baa1	Baa1

## SECTOR ANALYSIS AT APRIL 30, 2015 (%)



## QUALITY ANALYSIS AT APRIL 30, 2015 (%)



The current benchmark is Barclays U.S. Corporate Investment Grade. (1) Citigroup Broad Inv-Grade (BIG) from 1/31/1997 to 6/30/1999; Barclays Credit from 6/30/1999 to 2/29/2012; and Barclays U.S. Corporate Investment Grade from 2/29/2012 to 4/30/2015. For split rated securities in the quality distribution, the higher of Moody and S&P is used. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Equity securities are deemed to have a duration and maturity value of zero. Yield is Yield to Effective Maturity. Data Source: Barclays Capital, Bloomberg. This report is a service provided to customers of Loomis Sayles for informational purposes and is not a recommendation to purchase or sell securities. Unless otherwise noted, the performance shown is gross of management fees. Past performance is not a guarantee of future results. Loomis Sayles believes the information contained in this report is reliable but we do not guarantee its accuracy.



# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAYSHIELDS

## Summary Report — Account 1256 April 30, 2015

	Total Cost	Percent at Cost	Yield at Cost	Market Value	Percent of Assets	Yield at Market	Annual Income
Bonds	10,332,511	81.27	1.29	12,733,131	79.44	1.05	133,146
Stocks	2,381,495	18.73	3.52	2,860,990	17.85	2.93	83,712
Cash & Equivalents	0	0.00		385,000	2.40	0.09	347
Accrued Income				49,138	0.31		
<b>Total Portfolio</b>	<b>\$12,714,007</b>	<b>100.00%</b>	<b>1.71</b>	<b>\$16,028,259</b>	<b>100.00%</b>	<b>1.36</b>	<b>\$217,205</b>

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# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM



## Portfolio Composition and Performance — Account 1256 April 30, 2015

Composition	Market Value	Percent of Total
Fixed Income	12,768,781	79.66
Equity	2,874,478	17.93
Cash & Equivalents	385,000	2.40
<b>Total Portfolio</b>	<b>\$16,028,259</b>	<b>100.00%</b>

Performance	Latest Month	Latest 3 Months	Year To Date	Latest 12 Months	3 Years Annualized	5 Years Annualized	Since 10/1/2003	Annualized Since 10/1/2003
Total Fund (Gross of fees)	0.55%	2.64%	1.89%	9.35%	10.94%	8.47%	115.63%	6.85%
ML Convt Inv Grade BDS (Inc Mandatory)	1.88%	3.23%	2.45%	12.11%	14.05%	10.24%	91.67%	5.77%
ML CVT ALL IG 5% CAP	1.69%	3.17%	2.73%	11.07%	12.29%	N/A	N/A	N/A

Expressed in USD  
Past performance is not indicative of future results.

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# APRIL 2015

## OVERVIEW OF MONTHLY PERFORMANCE



Conversely, exposure to the convertible bonds of Danaher, Teva Pharmaceutical and Southwest Airlines (Airtran) weighed on performance during the month. Danaher Corp. declined despite the company reporting generally decent first quarter earnings. Investors may have been disappointed that the company slightly reduced guidance for full year earnings due to the strength of the U.S. dollar and losses from foreign currency translation. Pharmaceutical fell after the company announced a hostile offer for rival generic pharmaceutical manufacturer, Mylan. Mylan rebuffed the offer and investors may be concerned that Teva will overpay it if it raises its offer for Mylan. In addition, the pursuit of Mylan may serve as a distraction for Teva management. Last, holdings in Southwest Airlines declined largely due to the sharp rise in crude oil prices during the month. Jet fuel is often an airline's single largest expense and until this month, the performance of most airline stocks were buoyed by the increased profits realized from the sharp decline in fuel prices over the past year.

### Outlook

The past sixteen months have been very benign for the convertible market, which is somewhat surprising given that many were expecting a pullback following the tremendous advance in 2013. The past two and a half years have marked the resurrection of a vibrant market for new convertible issuance, which continued in 2014 following 2013's nearly \$50 billion of new issuance. The surge in new issuance was largely due to the simultaneous rise in stock prices and interest rates. With the rise in rates, issuing companies could once again realize a significant interest savings by issuing a convertible bond instead of a non-convertible high-yield security. For most investment-grade companies, however, rates remain so low in absolute terms that the benefits of a convertible offering remain relatively muted. As such, the preponderance of new issuance in 2013 and 2014 has been from non-investment grade companies. In addition, following the stock market decline of 2008, companies were reluctant to issue equity-linked securities as they believed that doing so would dilute existing equity holders at prices they believed undervalued their companies. However, with stocks at near-record levels, companies are no longer reluctant to issue a security linked to their equity.

The asset class' strong two-year returns are a testimony to the notion that convertible bonds should outperform in a rising rate environment and, unlike nearly all other classes of fixed income instruments, have almost no correlation to the movement in interest rates. We believe this trend will continue as long as the economy remains in recovery mode.

We remain convinced that convertible bonds and equities are attractively valued in the current slow growth environment. Given the slowly improving macro economy, and the relatively low rates of interest and inflation, stocks appear inexpensive based on various measures such as price to earnings, price to cash flow or price to free cash flow. As such, we expect convertible bond and stock prices to be higher in the coming twelve to eighteen months.

Convertible bonds remain an excellent vehicle through which to participate in further equity advances. At current valuations, convertible bonds should participate in the majority of the stock market's advances, but less than half of any decline in the event that our outlook for equities is wrong.

*Please note that security specific disclosures are representative and may not be included in your portfolio.*

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**Past performance is not indicative of future results.**

# APRIL 2015 OVERVIEW OF MONTHLY PERFORMANCE



## MARKET OVERVIEW

The U.S. convertible market, as measured by the BofA Merrill Lynch All Convertible Index, rose 0.74% in April 2015, while underlying equities climbed 1.02%. During the period, investment-grade convertibles, as measured by the BofA Merrill Lynch Investment Grade Convertible Index, were up 1.83%, while speculative-grade convertibles increased 1.16%. Year to date, the All Convertible Index has returned 3.78%.

During the month of April, the Standard & Poor's 500 Index rose just under one percent, while the broader Russell 2000 Index declined 2.55%. Considering that the Russell Index may better reflect the issuers in the convertible bond market, the positive return of the convertible index during the month was somewhat surprising. In fact, the BofA Merrill Lynch All Convertible Index managed to capture most of the S&P 500's upside. Once again, convertible performance during the month demonstrated the relationship between convertible bonds and interest rates – essentially that there is virtually none. Unlike most other fixed income categories, convertible performance is largely tied to the performance of equity markets and not interest rates.

We continue to believe that equity markets will be higher in the coming twelve to eighteen months as economic growth in the U.S. continues at a slow pace, while Europe's stagnant economies begin to expand in fits and starts. The sharp decline in energy prices should provide some material stimulus to those countries and regions that are net importers of oil and gas, particularly Europe and Japan. In addition, the Federal Reserve is likely to continue a monetary policy of low interest rates, which should foster a healthy climate for stocks and equity-linked securities such as convertibles.

We continue to believe that equities, and equity-linked securities, such as convertibles, are attractively valued, particularly when compared to the yields on pure fixed income securities, specifically U.S. Treasury and investment-grade bonds. We maintain that in a slow growth environment, at current valuations, convertible bonds and stocks are attractive and should continue to perform well.

In April, sector results were mixed. The Energy, Telecommunications and Materials sectors each outperformed the Index, rising 5.8%, 3.8% and 2.4%, respectively. Conversely, Consumer Discretionary (down 1.9%), Industrials (-1.2%) and Healthcare (-0.3%) were the worst performing sectors.

New convertible issuance was lighter than recent months, but April has historically tended to be a slower deal month. In April, 6 new issues totaling \$679 million came into the U.S. convertible market, while approximately \$6.3 billion has been redeemed through redemptions and maturities, according to BofA Merrill Lynch Research. Year-to-date, approximately \$16.4 billion has been issued in the U.S. market. And, although the recent issuer base has been well diversified across market-cap and sector, the vast majority of issuance over the past year has been non-rated. As previously noted, we expect new issuance from investment-grade companies to remain depressed until the yield on the 10-year U.S. Treasury exceeds 3.5%.

## PERFORMANCE<sup>1</sup>

The top contributors to nominal performance during the month of April included Schlumberger, The Priceline Group and Stanley Black & Decker. The synthetic convertibles of Schlumberger Limited performed well after the company reported first quarter earnings that were well ahead of analyst estimates. Revenue and earnings declined from year ago levels due to the sharp decline in oil and gas drilling activity. However, in response to the downturn, the company significantly reduced its operating expenses so that the decline in the company's profitability was far more muted than expected. The convertible bonds of Priceline rose on little company-specific news. The company's common stock and convertible bonds likely rose in sympathy with rival, Expedia, which reported better than expected earnings at the end of April. Stanley Black & Decker's convertible preferred shares rose in April after the company reported first quarter earnings that were well ahead of analyst expectations. The company managed to significantly exceed expectations despite the headwinds of a strong dollar, which reduced profits from non-U.S. markets, and a higher than expected tax rate.

# Bay County Employees' Retirement System

MFS® Heritage Trust Company CIT - MFS International Growth Fund

(Class 1 Shares)



30 April 2015

## Performance results (%) class 1 shares net of expenses (USD)

	Portfolio	Benchmark <sup>A</sup>	Excess returns
April 2015	3.64	4.41	-0.77
2015 YTD	9.24	9.41	-0.17
Since client inception (06-Aug-14)	4.21	4.79	-0.58

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Net of expenses does not include management fees.

<sup>A</sup> MSCI All Country World (ex-US) Growth Index (net div)

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results are historical and assume the reinvestment of dividends and capital gains.

## Asset summary (USD)

Beginning value as of 31-Mar-15	25,376,194
Contributions	0
Withdrawals	0
Change in market value	+923,886
Ending value as of 30-Apr-15	26,300,080

Characteristics	Portfolio	Benchmark <sup>AA</sup>
IBES long-term EPS growth <sup>1</sup>	10.0%	11.0%
- weighted median		
Price/earnings (12 months forward ex-negative earnings)	19.1x	18.8x
- weighted median		
Return on equity (3-year average)	17.1%	15.5%
- weighted median		
Return on invested capital	11.4%	11.0%
- weighted median		
Market capitalization (USD) <sup>2</sup>	36.4 bn	32.7 bn
Number of holdings	89	1,072
Trailing 1 year turnover <sup>3</sup>	29%	-
Barra predicted tracking error <sup>4</sup>	2.81%	-

<sup>1</sup> Source: Thomson Reuters

<sup>2</sup> Weighted median.

<sup>3</sup> (Lesser of Purchase or Sales)/Average Month End Market Value

<sup>4</sup> Source: Barra

No forecasts can be guaranteed.

## Top 10 Issuers

	Sector
NESTLE SA	Consumer Staples
ROCHE HOLDINGS AG	Health Care
DANONE	Consumer Staples
LMVH MOET HENNESSY	Retailing
BAYER AG	Health Care
TAIWAN SEMICONDUCTOR	Technology
MANUFACTURING COMPANY LIMITED	
UBS GROUP AG	Financial Services
AIA GROUP LTD	Financial Services
ACCENTURE PLC	Special Products & Services
PERNOD-RICARD	Consumer Staples

Sectors (%)	Portfolio	Benchmark <sup>AA</sup>
Consumer Staples	19.0	12.5
Health Care	13.4	13.8
Financial Services	13.3	17.1
Technology	10.0	11.1
Special Products & Services	9.6	4.4
Basic Materials	8.2	6.4
Industrial Goods & Services	8.0	6.9
Retailing	6.7	6.7
Leisure	4.1	3.7
Transportation	2.9	3.8
Energy	2.7	2.9
Utilities & Communications	0.8	4.9
Autos & Housing	0.6	5.8

Regions (%)	Portfolio	Benchmark <sup>AA</sup>
Europe ex-U.K.	46.8	34.5
United Kingdom	19.1	12.0
Emerging Markets	13.1	22.4
Japan	7.8	15.1
North America	7.3	7.2
Asia/Pacific ex-Japan	3.7	8.5
Developed - Middle East/Africa	1.4	0.4

0.8% cash and other assets less liabilities.

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MFS Heritage Trust Company

<sup>AA</sup> MSCI All Country World (ex-US) Growth Index

## FOR MORE INFORMATION CONTACT

Kimberly Hyland, Director, Relationship Management

Phone: +1 617 954 5575 | Cell: +1 781 929 6122

Email: khyland@mfs.com

PSR-HTG-30-Apr-15

Thomas Shanley, Client Service Manager

Phone: +1 617 954 7492 | Cell: +1 857 208 5297

Email: tshanley@mfs.com

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Bay County Employees' Retirement System  
MFS® Heritage Trust Company CIT - MFS International Growth Fund  
Class 1 Shares  
Report as of 30 April 2015

Performance results (%) class 1 shares net of expenses (USD)

Period	Portfolio net	Benchmark <sup>^</sup>	Excess <sup>^</sup> <sup>^</sup>
April	3.64	4.41	-0.77
1Q 2015	5.41	4.79	0.62
2015 YTD	9.24	9.41	-0.17
Since client inception (06-Aug-14)	4.21	4.79	-0.58

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class. Net of expenses does not include management fees.

<sup>^</sup> MSCI All Country World (ex-US) Growth Index (net div)

<sup>^^</sup> Excess return net vs benchmark (%)

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MFS Heritage Trust Company

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Currency: USD



Month End Date:	04/02/2015															
CUSIP/SEDOL	Ticker	Market Name	Price	Share Held	Market Value (mil)	Equivalent Exposure (mil)	Market Value %	Equivalent Exposure %	Market Cap (mil)	MFS Sector	Class Sector	QCIS Sector	MFS Industry	MFS Country	IDN	ID W/Label
71297	CHNKA	Heating SA	77.68	516,200	40,200,037	42,030,000.00	3.28	3.28	20,400.00	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	Switzerland	CHNKA000000	71297
48420	CHNKA	Power Heating AD	28.04	20,200	571,222,442.10	571,222,442.10	2.34	2.34	20,400.00	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	Switzerland	CHNKA000000	71297
07100	CHNKA	Utility Heating	174.00	10,240	21,743,000.07	21,743,000.07	2.00	2.00	80,762.75	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	France	FR0000120044	07100
40241	CHNKA	Utility Heating	174.00	10,240	21,743,000.07	21,743,000.07	2.00	2.00	80,762.75	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	France	FR0000120144	40241
00021	DCBANK	Bank AD	145.00	217,240	31,000,000.25	31,000,000.25	2.07	2.07	120,441.30	Health Care	Health Care	Health Care	Pharmaceuticals	Germany	DE0000410017	00021
0740010	TCM	Thermal	24.44	1,209,440	29,400,401.30	29,400,401.30	2.40	2.40	120,441.30	Technology	Technology	Technology	Electronics	Taiwan	US0740010030	0740010
044000	CHUBRO	US Corp AD	20.16	1,448,207	29,020,073.10	29,020,073.20	2.46	2.46	77,410.00	Financial Services	Financial Services	Financial Services	Other Banks and Chartered	Switzerland	CH0000472005	044000
047000	ALCHAD	ALCHAD Ltd	6.00	4,207,200	29,000,121.14	29,000,121.14	2.42	2.42	80,515.00	Financial Services	Financial Services	Financial Services	Insurance	Hong Kong	HK0000000000	047000
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047000	ALCHAD	ALCHAD Ltd	6.00	4,207,200	29,000,121.14	29,000,121.14										

Currency: USD

[illegible]

Portfolio characteristics reflect its market value, and is not based on equivalent exposure, which may differ.





**Bay County Employees' Retirement System - Growth Equity**

**BCS**

**Valuation Summary**

**30-Apr-15**

**Portfolio Currency: USD**

	Cost	Market Value	Accrued Income	Total Value	Total Value
CASH	787,529.95	787,529.95	0.00	787,529.95	2.42 %
COMMON STOCK	22,936,400.05	31,116,829.97	12,281.04	31,129,111.01	95.56 %
ADR	646,764.55	658,153.13	1,908.15	660,061.28	2.03 %
	24,370,694.55	32,562,513.05	14,189.19	32,576,702.24	100.00 %
Accrued Income:		14,189.19			
Total Value:		32,576,702.24			

This report contains trade date position values, calculated by MFS. This is not the official book of record for the account. Cash is a net cash balance comprised of cash on deposit, and payables and receivables that have not settled.

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Bay County Employees' Retirement System  
Growth Equity  
Report as of 30 April 2015

Performance results (%) gross and net of fees (USD)

Period	Portfolio gross	Portfolio net	Benchmark <sup>^</sup>	Excess <sup>^A</sup>
April	-0.62	-0.67	0.50	-1.17
1Q 2015	3.82	3.67	3.84	-0.17
2015 YTD	3.18	2.97	4.36	-1.39
1 year	14.95	14.26	16.67	-2.41
Since client inception (04-Sep-12)	20.07	19.35	18.93	0.42

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

<sup>^</sup> Russell 1000 Growth Index

<sup>^A</sup> Excess return net vs benchmark (%)

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Institutional Advisors, Inc.

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Ms. Crystal Herbert  
 Bay County Financial Officer  
 Bay County Retirement System  
 515 Center Avenue  
 Suite 701  
 Bay City, MO 48708

Date 5/18/2015

Page 1 of 2

Commission Program Review  
 Rep: MARY DAVIDSON

<b>Month Summary: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM</b>
--------------------------------------------------------------

*Period: April 1, 2015 To April 30, 2015*

	<u>April 2015</u>	<u>Year To Date</u>
Opening Balance:	\$0.00	\$3.00 <sup>*cr</sup>
Commission:	\$2.00	\$137.50
Credit:	\$0.00	\$0.00
Payments:	\$0.00	\$3.00
Adjustments:	\$0.00	\$0.00
Ending Balance:	\$0.00	\$0.00

*\*Previous Year's closing balance*

<b>Manager Commission Summary</b>
-----------------------------------

	<u>April 2015 Commission</u>	<u>April 2015 Credit</u>	<u>Year to Date Commission</u>	<u>Year to Date Credit</u>
HOTCHKIS & WILEY	\$2.00	\$0.00	\$137.50	\$0.00
Total:	\$2.00	\$0.00	\$137.50	\$0.00

<b>Payments Summary</b>
-------------------------

	<u>April 2015</u>	<u>Year to Date</u>
BAY COUNTY EMPLOYEES RETIREMENT SYSTEM	\$0.00	\$3.00
Total:	\$0.00	\$3.00

<p><b><i>Are you considering making a portfolio change soon? Contact your Abel Noser representative or <a href="mailto:Transitions@abelnoser.com">Transitions@abelnoser.com</a> for information about our Transition Service which was rated #1 in the 'Overall Service' category in the 2013 aiCIO Global TM Survey.</i></b></p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

*In order to comply with ERISA; It is our understanding that the monies disbursed from your commission recapture account are for the exclusive benefit of the plan's participants and their beneficiaries. Please contact us if you see there are any exceptions to this compliance.*

Member New York Stock Exchange and other Principle Exchanges, FINRA/SIPC

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>Abel/Noser Corp.  
One Battery Park Plaza,  
New York, NY 10004-1405  
phone:646.432.4000 800.322.2610  
fax: 212.363.7571  
website: www.abelnoser.com>

Date 5/18/2015

Page 2 of 2

Commission Program Review  
Rep: MARY DAVIDSON

Trade Details: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: April 1, 2015 To April 30, 2015

Account: 1122-BAY COUNTY EMPL RET SYSTEM/ HOTCHKIS EAN71916

<u>trade date</u>	<u>side</u>	<u>ticker</u>	<u>security description</u>		<u>share</u>	<u>commission</u>	<u>credit</u>	<u>cumulation</u> <u>credit</u>
04/06/15	S	MLR	MILLER INDS INC TENN	COM NEW	200	\$2.00	\$0.00	\$0.00
Account Total:					200	\$2.00	\$0.00	
Grand Total:					200	\$2.00	\$0.00	



1601 Elm Street, Suite 3900  
Dallas, Texas 75201

214.720.0055  
800.247.6729

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## Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 4/30/2015

### TOTAL COMMISSION

Beginning Balance	
U.S. Equity	441.84
International Equity	-
Fixed Income	-
International Fixed Income	-
New Issues	-
Options	-
Futures	-
Foreign Currency	-
Syndicates	-
U.S. Correspondent Equity	94.46
Recapture Subtotals	\$ 536.30
Execution	\$ 0.00
Directed	\$ 0.00
Correspondent Broker/Dealer	\$ 0.00
Total	\$ 536.30

### COMMISSION ALLOCATION

	April	YTD	Execution	YTD	Recapture	YTD
U.S. Equity	441.84	894.64	110.46	293.77	\$357.99	\$380.62
International Equity	-	-	-	-	-	600.87
Fixed Income	-	-	-	-	-	-
International Fixed Income	-	-	-	-	-	-
New Issues	-	-	-	-	-	-
Options	-	-	-	-	-	-
Futures	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-
Syndicates	-	-	-	-	-	-
U.S. Correspondent Equity	94.46	260.39	45.57	123.00	48.89	137.39
Recapture Subtotals	\$ 536.30	\$ 1,155.03	\$ 156.03	\$ 416.77	\$ 380.27	\$ 738.26
Execution	\$ 0.00	\$ 20.24				
Directed	\$ 0.00	\$ 0.00				
Correspondent Broker/Dealer	\$ 0.00	\$ 0.00				
Total	\$ 536.30	\$ 1,175.27				

Total Earned	\$ 380.27	\$ 738.26
Total Redeemed	\$ 357.99	\$ 738.61
Balance as of 4/30/2015	\$ 380.27	\$ 380.27

Account Executive: Jon Lantz  
Phone: (214) 978-4778

Sales Assistant: Christilla Moreno  
Phone: (214) 978-4743

# Securities Lending

## Summary Earnings Report for MR

FAMILY CODE FAM8765

From Apr 1, 2015 To Apr 30, 2015

ACCOUNT NUMBER : 2608694

ACCOUNT NAME : \*BAYCO - COLUMBIA MANAGEMENT

CURRENCY : USD

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
OPEN CASH	0.00	1,556.85	0.00	0.00	1,556.85
TERM CASH	0.00	289.21	0.00	0.00	289.21
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,846.06	0.00	0.00	1,846.06
TOTAL REBATES	0.00	215.48	0.00	0.00	215.48
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,630.58	0.00	0.00	1,630.58
BANK FEES	0.00	488.58	0.00	0.00	488.58
NET INCOME	0.00	1,142.00	0.00	0.00	1,142.00

ACCOUNT NUMBER : 2618668

ACCOUNT NAME : \*BAYCO - BAIRD -SL

CURRENCY : USD

OPEN CASH	1,114.16	0.00	0.00	0.00	1,114.16
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	131.36	0.00	0.00	0.00	131.36
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,245.52	0.00	0.00	0.00	1,245.52
TOTAL REBATES	796.04	0.00	0.00	0.00	796.04
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	449.48	0.00	0.00	0.00	449.48
BANK FEES	134.78	0.00	0.00	0.00	134.78
NET INCOME	314.70	0.00	0.00	0.00	314.70

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# Securities Lending

## Summary Earnings Report for MR

FAMILY CODE FAM8765

From Apr 1, 2015 To Apr 30, 2015

Page 2 of 6

ACCOUNT NUMBER : 2622490

ACCOUNT NAME : \*BAYCO - MACKEY SHIELDS -SL

CURRENCY : USD

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
OPEN CASH	796.95	26.02	0.00	1.01	823.98
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	314.81	0.00	0.00	0.00	314.81
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,111.76	26.02	0.00	1.01	1,138.79
TOTAL REBATES	-781.50	-2.33	0.00	0.06	-783.77
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,893.26	28.35	0.00	0.95	1,922.56
BANK FEES	567.58	8.49	0.00	0.27	576.34
NET INCOME	1,325.68	19.86	0.00	0.68	1,346.22

ACCOUNT NUMBER : 2622536

ACCOUNT NAME : \*BAYCO - HOTCHKIS & WILEY -SL

CURRENCY : USD

OPEN CASH	0.00	1,546.07	0.00	268.77	1,814.84
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	27.92	0.00	0.00	27.92
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,573.99	0.00	268.77	1,842.76
TOTAL REBATES	0.00	124.69	0.00	9.89	134.58
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,449.30	0.00	258.88	1,708.18
BANK FEES	0.00	431.63	0.00	77.14	508.77
NET INCOME	0.00	1,017.67	0.00	181.74	1,199.41

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# Securities Lending

## Summary Earnings Report for MR

FAMILY CODE FAM8765

From Apr 1, 2015 To Apr 30, 2015

Page 3 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2641401

ACCOUNT NAME : \*BAYCO - LOOMIS SAYLES -SL

CURRENCY : USD

OPEN CASH	1,070.61	0.00	515.80	0.00	1,586.41
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	45.18	0.00	0.00	0.00	45.18
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,115.79	0.00	515.80	0.00	1,631.59
TOTAL REBATES	-77.87	0.00	-59.51	0.00	-137.38
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,193.66	0.00	575.31	0.00	1,768.97
BANK FEES	357.30	0.00	172.24	0.00	529.54
NET INCOME	836.36	0.00	403.07	0.00	1,239.43

ACCOUNT NUMBER : 2649057

ACCOUNT NAME : \*BAYCO GENEVA CAPITAL MGMT -SL

CURRENCY : USD

OPEN CASH	0.00	2,593.85	0.00	99.99	2,693.84
TERM CASH	0.00	1.16	0.00	0.00	1.16
NON CASH	0.00	2.48	0.00	0.00	2.48
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,597.49	0.00	99.99	2,697.48
TOTAL REBATES	0.00	229.68	0.00	8.45	238.13
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,367.81	0.00	91.54	2,459.35
BANK FEES	0.00	709.24	0.00	27.41	736.65
NET INCOME	0.00	1,658.57	0.00	64.13	1,722.70

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# Securities Lending

## Summary Earnings Report for MR

FAMILY CODE FAM8765

From Apr 1, 2015 To Apr 30, 2015

Page 4 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2653308

ACCOUNT NAME : \*BAYCO - INTEGRITY -SL

CURRENCY : USD

OPEN CASH	0.00	2,105.50	0.00	78.63	2,184.13
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.63	0.00	0.00	0.63
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,106.13	0.00	78.63	2,184.76
TOTAL REBATES	0.00	138.98	0.00	-16.47	122.51
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,967.15	0.00	95.10	2,062.25
BANK FEES	0.00	588.38	0.00	28.50	616.88
NET INCOME	0.00	1,378.77	0.00	66.60	1,445.37

ACCOUNT NUMBER : 2653296

ACCOUNT NAME : \*BAYCO - CORNERSTONE REALES-SL

CURRENCY : USD

OPEN CASH	0.00	1,394.06	0.00	0.00	1,394.06
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	6.08	0.00	0.00	6.08
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,400.14	0.00	0.00	1,400.14
TOTAL REBATES	0.00	111.35	0.00	0.00	111.35
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,288.79	0.00	0.00	1,288.79
BANK FEES	0.00	385.75	0.00	0.00	385.75
NET INCOME	0.00	903.04	0.00	0.00	903.04

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# Securities Lending

## Summary Earnings Report for MR

FAMILY CODE FAM8765

From Apr 1, 2015 To Apr 30, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2683864

ACCOUNT NAME : \*BAYCO - MFS INVESTMENTS -SL

CURRENCY : USD

OPEN CASH	0.00	1,844.75	0.00	199.25	2,044.00
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	7.76	0.00	0.00	7.76
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,852.51	0.00	199.25	2,051.76
TOTAL REBATES	0.00	130.63	0.00	-52.25	78.38
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,721.88	0.00	251.50	1,973.38
BANK FEES	0.00	515.27	0.00	75.20	590.47
NET INCOME	0.00	1,206.61	0.00	176.30	1,382.91

ACCOUNT NUMBER : 2683063

ACCOUNT NAME : \*BAYCO - EAGLE ASSET -SL

CURRENCY : USD

OPEN CASH	0.00	1,641.44	0.00	50.82	1,692.26
TERM CASH	0.00	81.35	0.00	0.00	81.35
NON CASH	0.00	4.16	0.00	19.29	23.45
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,726.95	0.00	70.11	1,797.06
TOTAL REBATES	0.00	-127.78	0.00	-130.71	-258.49
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,854.73	0.00	200.82	2,055.55
BANK FEES	0.00	553.19	0.00	60.11	613.30
NET INCOME	0.00	1,301.54	0.00	140.71	1,442.25

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# Securities Lending

## Summary Earnings Report for MR

FAMILY CODE FAM8765

From Apr 1, 2015 To Apr 30, 2015

Page 6 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
GRAND TOTAL					
CURRENCY : USD					
OPEN CASH	2,981.72	12,708.54	515.80	698.47	16,904.53
TERM CASH	0.00	371.72	0.00	0.00	371.72
NON CASH	491.35	49.03	0.00	19.29	559.67
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	3,473.07	13,129.29	515.80	717.76	17,835.92
TOTAL REBATES	-63.33	820.70	-59.51	-181.03	516.83
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	3,536.40	12,308.59	575.31	898.79	17,319.09
BANK FEES	1,059.66	3,680.53	172.24	268.63	5,181.06
NET INCOME	2,476.74	8,628.06	403.07	630.16	12,138.03

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Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from, categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting complies with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report.

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Northern Trust

\* Generated on 01 Jun 15 12:22 No.60525

REFUNDS: FOR THE MONTH ENDED:

May 31, 2014

EMPLOYEE/BENEFICIARY	CONTRIBUTIONS	PROCESSED	DEPARTMENT	TERMINATION
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TOTAL REFUNDS: 0.00

NEW RETIREE	CONTRIBUTIONS TRANSFERRED	RETIREMENT GROUP/ COUNTY DEPT	EFFECTIVE DATE
Simmons, Ernie	\$ 88,331.67	ROAD	4/25/2015
Pearson, Mary	30,146.19	BCMCF	4/30/2015
Tomczak, Deborah	\$93,966.77	BABH	5/2/2015
Wlodyka, Leigh Ann	\$35,514.12	BABH	5/11/2015
Roupe, Stacy	\$28,536.29	BCMCF	5/15/2015
Whitosky, Dawn	45,203.06	BCMCF	5/8/2015
Reinbold, Rebecca	36,449.67	BCMCF	5/16/2015
Bublitz, Karen	55,339.20	BCMCF	5/16/2015

DECEASED EMPLOYEE/ RETIREE	BENEFICIARY	REFUND/ PENSION	DATE OF DEATH	DIVISION/ DEPARTMENT
Prahl, Arthur	Elaine Prahl	1,610.21	5/15/2015	ROAD

NO REFUNDS EMPLOYEE NAME	ACCUMULATED CONTRIBUTIONS	UNION GROUP	DATE TERMINATED
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0.00

# Bay County Michigan

06/01/2015 13:24  
Rmarsters

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

P  
g1yrcbud  
1

FOR 2015 05

ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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## 7310 RETIREMENT SYSTEM FUND

### 73127400 RETIREMENT BOARD

#### RA FUND BALANCE, NET AS

73127400 40001 FUND BALANCE	0	0	0	0	0	0%
73127400 40003 FUND BALANCE-RESERVS	36,190	36,190	0	0	36,190.00	0%
73127400 40004 NET ASSETS - RESERVY	3,763,344	3,763,344	0	0	3,763,344.00	0%
TOTAL FUND BALANCE, NET AS	3,799,534	3,799,534	0	0	3,799,534.00	0%

#### RJ LOCAL UNIT CONTRIBUT

73127400 59401 ER CONTR-BEHAVE, HEA	-1,300,000	-1,300,000	-158,904.33	0	-1,141,095.67	12.28%
73127400 59402 ER CONTR-MOSQUITO C	-13,000	-13,000	-5,062.75	0	-7,937.25	38.98%
73127400 59403 ER CONTR-HEALTH FUN	-57,000	-57,000	-23,653.85	-4,649.50	-33,346.15	41.58%
73127400 59404 ER CONTR-ROAD COMMT	-520,000	-520,000	-128,523.85	0	-391,476.15	24.78%
73127400 59406 ER CONTR-LIBRARY	-130,000	-130,000	-41,614.22	0	-88,385.78	32.08%
73127400 59407 ER CONTR-GOLF COURSE	-6,000	-6,000	-1,481.94	0	-4,518.06	24.78%
73127400 59408 ER CONTR-GENERAL FU	-375,000	-375,000	-172,584.01	-33,656.88	-202,415.99	46.08%
73127400 59410 ER CONTR-911 SERVIC	-250,000	-250,000	-97,769.33	0	-152,230.67	39.18%
73127400 59411 ER CONTR-CHILD CARE	-45,000	-45,000	-15,947.08	-3,334.78	-29,052.92	35.48%
73127400 59412 ER CONTR-DIV ON AGI	-40,000	-40,000	-14,674.13	-2,857.13	-25,325.87	36.78%
73127400 59413 ER CONTR-RETIRE SYS	-43,000	-43,000	-15,529.33	-3,375.22	-27,470.67	36.18%
73127400 59414 ER CONTR-RETIRE SYS	-1,800	-1,800	-921.41	-199.13	-878.59	51.28%
73127400 59415 ER CONTR-GYPSY MOTH	-3,500	-3,500	-724.57	0	-3,500.00	100%
73127400 59416 ER CONTR-HOME REHAB	-2,000	-2,000	-148.34	0	-1,275.43	36.28%
73127400 59418 ER CONTR-100% TAX P	-180	-180	-133.71	-11.72	-46.29	74.38%
73127400 59419 ER CONTR-MED CARE F	-3,200	-3,200	-1,123.53	-223.02	-2,076.47	35.15%
73127400 59424 ER CONTR-SELF INSUR	-700,000	-700,000	-48,783.43	0	-651,216.57	7.08%
73127400 59427 ER CONTR-COMM CORRE	-500	-500	-228.15	-46.26	-271.85	45.68%
73127400 59429 ER CONTR-F.O.C. FUN	-3,100	-3,100	-588.98	-122.94	-2,511.02	19.08%
73127400 59430 ER CONTR-HOUSING FU	-2,100	-2,100	-966.98	-197.06	-1,133.02	46.08%
73127400 59434 ER CONTR-SHERIFF DE	-6,800	-6,800	-2,074.52	-428.29	-4,725.48	30.58%
73127400 59439 ER CONTR-SHERIFF DE	0	0	-4.39	-4.39	4.39	100.08%
73127400 59501 EE CONTR-BEHAVE, HEA	0	0	0	0	0	0%
	-580,000	-580,000	-79,521.67	0	-500,478.33	13.78%

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# Bay County Michigan

06/01/2015 13:24  
Rmatters

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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FOR 2015 05

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 59502 EE CONTR-MOSQUITO C	-12,500	-12,500	-5,062.75	-990.25	.00	-7,437.25	40.5%
73127400 59503 EE CONTR-HEALTH FUN	-60,000	-60,000	-23,653.85	-4,649.50	.00	-36,346.15	39.4%
73127400 59504 EE CONTR-ROAD COMM	-130,000	-130,000	-31,305.05	.00	.00	-98,694.95	24.1%
73127400 59506 EE CONTR-LIBRARY	-75,000	-75,000	-17,975.83	.00	.00	-57,024.17	24.0%
73127400 59507 EE CONTR-GOLF COURSE	-4,800	-4,800	-1,481.94	-295.86	.00	-3,318.06	30.9%
73127400 59508 EE CONTR-GENERAL FU	-500,000	-500,000	-176,256.96	-34,258.34	.00	-323,743.04	35.3%
73127400 59509 EE CONTR-DWS	-85,000	-85,000	-24,877.81	.00	.00	-60,122.19	29.3%
73127400 59510 EE CONTR-911 SERVIC	-62,000	-62,000	-22,942.16	-4,577.83	.00	-39,057.84	37.0%
73127400 59511 EE CONTR-CHILD CARE	-40,000	-40,000	-14,674.13	-2,857.13	.00	-25,325.87	36.7%
73127400 59512 EE CONTR-DIV ON AGI	-43,000	-43,000	-15,529.33	-3,375.22	.00	-27,470.67	36.1%
73127400 59513 EE CONTR-RETIRE SYS	-1,800	-1,800	-921.43	-199.13	.00	-878.57	51.2%
73127400 59514 EE CONTR-HOMELAND S	0	0	.00	.00	.00	.00	.0%
73127400 59515 EE CONTR-GYPSY MOTH	-1,900	-1,900	-724.57	-148.34	.00	-1,175.43	38.1%
73127400 59516 EE CONTR-HOME REHAB	-180	-180	-133.71	-11.72	.00	-46.29	74.3%
73127400 59518 EE CONTR-100% TAX P	-3,000	-3,000	-1,123.53	-223.02	.00	-1,876.47	37.5%
73127400 59519 EE CONTR-MED CARE F	-380,000	-380,000	-33,663.43	.00	.00	-346,336.57	8.9%
73127400 59524 EE CONTR-SELF INSUR	-400	-400	-228.15	-46.26	.00	-171.85	57.0%
73127400 59527 EE CONTR-COMM. CORRE	-3,100	-3,100	-588.98	-122.94	.00	-2,511.02	19.0%
73127400 59529 EE CONTR-F.O.C. FUN	-2,100	-2,100	-966.98	-197.06	.00	-1,133.02	46.0%
73127400 59530 EE CONTR-HOUSING FU	-6,800	-6,800	-2,074.52	-428.29	.00	-4,725.48	30.5%
73127400 59534 EE CONTR-LOCAL CRO	0	0	-4.40	-4.40	.00	4.40	100.0%
73127400 59539 EE CONTR-SHERIFF DE	-245,000	-245,000	-29,619.78	-4,806.34	.00	-215,380.22	12.1%
TOTAL LOCAL UNIT CONTRIBUT	-5,738,760	-5,738,760	-1,214,625.45	-107,732.40	.00	-4,524,134.55	21.2%
RP INTEREST & RENTALS							
73127400 66400 INVESTMENT INTEREST	-5,000,000	-5,000,000	-912,586.66	.00	.00	-4,087,013.34	18.3%
73127400 66500 GAIN ON SALE OF INV	-15,000,000	-15,000,000	-15,442,746.18	.00	.00	442,746.18	103.0%
73127400 66501 UNREALIZED GAIN ON	-3,000,000	-3,000,000	.00	.00	.00	-3,000,000.00	.0%
73127400 66502 GAIN ON FOREIGN CUR	-40,000	-40,000	-70.22	.00	.00	-39,929.78	.2%
73127400 66600 SECURITIES LENDING	-300,000	-300,000	-32,706.06	.00	.00	-267,293.94	10.9%
TOTAL INTEREST & RENTALS	-23,340,000	-23,340,000	-16,388,509.12	.00	.00	-6,951,490.88	70.2%
RR OTHER REVENUE							
73127400 67104 MISCELLANEOUS REVENUE	0	0	.00	.00	.00	.00	.0%
73127400 67600 REIMBURSEMENTS	0	0	.00	.00	.00	.00	.0%
73127400 67601 REIMBURSEMENT - IND	0	0	.00	.00	.00	.00	.0%

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# Bay County Michigan

06/01/2015 13:24  
RMAsters

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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FOR 2015 05

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 68900 TRADE-IN ALLOWANCE	0	0	.00	.00	.00	.00	.0%
73127400 69000 COMMISSION RECAPTUR	-25,000	-25,000	-549.13	.00	.00	-24,450.87	2.2%*
73127400 69200 CLAIMS/SETTLEMENTS/	-150,000	-150,000	-14,053.72	.00	.00	-135,946.28	9.4%*
TOTAL OTHER REVENUE	-175,000	-175,000	-14,602.85	.00	.00	-160,397.15	8.3%

## XE WAGES & SALARIES

73127400 70300 SALARIES-ELECTED OR	49,153	49,153	17,031.05	3,517.28	.00	32,121.95	34.6%
73127400 70500 TEMPORARY HELP	12,740	12,740	2,707.05	672.27	.00	10,032.95	21.2%
73127400 70501 PART TIME WAGES	6,238	6,238	3,835.97	725.96	.00	2,402.03	61.5%*
73127400 70600 OVERTIME	2,809	2,809	335.53	173.55	.00	2,473.47	11.5%*
73127400 70800 HOLIDAY PAY	0	0	874.32	.00	.00	-874.32	100.0%*
73127400 71000 PER DIEM	3,420	3,420	855.00	450.00	.00	2,565.00	25.0%*
73127400 71200 VACATION PAY	0	0	185.12	185.12	.00	-185.12	100.0%*
73127400 71202 SICK PAY	0	0	.00	.00	.00	.00	.0%
73127400 71203 TERMINATION SICK PA	0	0	.00	.00	.00	.00	.0%
73127400 71204 TERMINATION VACATION	0	0	.00	.00	.00	.00	.0%
TOTAL WAGES & SALARIES	74,360	74,360	25,824.04	5,724.18	.00	48,535.96	34.7%

## XF FRINGES

73127400 71500 SOCIAL SECURITY	4,097	4,097	1,733.38	366.91	.00	2,363.62	42.3%*
73127400 71600 HEALTH INSURANCE	12,989	12,989	5,411.70	1,082.34	.00	7,577.30	41.7%*
73127400 71603 RETIREE HEALTH CARE	0	0	.00	.00	.00	.00	.0%
73127400 71632 EMPLOYEE INCENTIVE	103	103	.00	.00	.00	103.00	.0%
73127400 71700 LIFE INSURANCE	131	131	46.80	10.80	.00	84.20	35.7%*
73127400 71800 RETIREMENT	4,434	4,434	1,842.86	398.26	.00	2,591.14	41.6%*
73127400 71900 OTHER FRINGE BENEFIT	96	96	.00	.00	.00	96.00	.0%
73127400 72001 SIF ADMINISTRATION	0	0	.00	.00	.00	.00	.0%
73127400 72100 WORKERS' COMPENSATI	84	84	37.47	7.91	.00	46.53	44.6%*
73127400 72200 SICK AND ACCIDENT I	517	517	192.09	40.70	.00	324.91	37.2%*
73127400 72500 UNEMPLOYMENT COMPEN	251	251	112.35	23.74	.00	138.65	44.8%*
TOTAL FRINGES	22,702	22,702	9,376.65	1,930.66	.00	13,325.35	41.3%

## XI SUPPLIES

73127400 72700 OFFICE SUPPLIES	2,000	2,000	732.93	.00	.00	1,267.07	36.6%
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# Bay County Michigan

06/01/2015 13:24  
Rmatters

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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FOR 2015 05

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 72702 BOOK SUPPLIES	0	0	.00	.00	.00	.00	.0%
73127400 72800 PRINTING AND BINDIN	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 72900 POSTAGE	300	300	116.70	.00	.00	183.30	38.9%
73127400 73000 MAGAZINES AND PERIO	600	600	.00	.00	.00	600.00	.0%
73127400 73301 COPIER / FAX SUPPLI	500	500	.00	.00	.00	500.00	.0%
73127400 74200 FOOD SUPPLIES	150	150	.00	.00	.00	150.00	.0%
73127400 74700 PHOTO & MICROFILM/F	0	0	.00	.00	.00	-17.62	100.0%*
73127400 75000 GAS, OIL AND GREASE	0	0	17.62	.00	.00	1,500.00	.0%
73127400 75100 COMPUTER SUPPLIES	1,500	1,500	.00	.00	.00	1,500.00	.0%
TOTAL SUPPLIES	6,050	6,050	867.25	.00	.00	5,182.75	14.3%

## XL OTHER SERVICES AND C

73127400 80100 PROFESSIONAL SERVIC	1,500,000	1,500,000	312,997.04	257,249.71	.00	1,187,002.96	20.9%
73127400 80101 ACTUARIAL SERVICES	40,000	40,000	.00	.00	.00	40,000.00	.0%
73127400 80200 CONTRACTUAL SERVICE	0	0	.00	.00	.00	.00	.0%
73127400 81200 MEDICAL SERVICES	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 81400 INVESTMENT/BANK SER	230,000	230,000	69,568.66	.00	.00	160,431.34	30.2%
73127400 81700 LEGAL FEES	7,500	7,500	.00	.00	.00	7,500.00	.0%
73127400 81900 CONSULTANTS	140,000	140,000	70,000.00	.00	.00	70,000.00	50.0%*
73127400 82000 MEMBERSHIPS AND DUE	550	550	.00	.00	.00	550.00	.0%
73127400 82900 FILING FEES	250	250	.00	.00	.00	250.00	.0%
73127400 83500 HEALTH SERVICES	0	0	.00	.00	.00	.00	.0%
73127400 85200 TELEPHONE	420	420	45.57	.00	.00	374.43	10.9%
73127400 86100 CONFERENCE FEES & E	15,000	15,000	3,102.29	2,750.00	.00	11,842.71	21.0%
73127400 86500 STATE TRAVEL MILEAG	2,000	2,000	.00	.00	.00	1,839.98	8.0%
73127400 86600 LOCAL TRAVEL MILEAG	300	300	96.55	69.59	.00	1,203.45	32.2%
73127400 87500 PENSION PAYMENTS	13,000,000	13,000,000	3,973,719.71	.00	.00	9,026,280.29	30.6%
73127400 90000 PRINTING/PUBLISHING	500	500	.00	.00	.00	500.00	.0%
73127400 90100 LEGAL NOTICES	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 93100 EQUIPMENT REPAIR &	500	500	.00	.00	.00	500.00	.0%
73127400 93700 HARD/SOFTWARE REPAI	0	0	.00	.00	.00	-2,400.00	100.0%*
73127400 94601 ROUTEMENT RENTAL-CO	5,000	5,000	2,400.00	.00	.00	4,801.96	4.0%*
73127400 95500 MISCELLANEOUS	500	500	59.77	50.00	.00	440.23	12.0%
73127400 95600 INDIRECT COST EXPEN	110,094	110,094	26,689.45	.00	.00	83,404.55	24.2%
73127400 96000 EDUCATION AND TRAI	1,500	1,500	2,997.50	.00	.00	-1,497.50	199.8%*
73127400 96200 LOSS ON DISPOSAL OF	10,000,000	10,000,000	1,735,993.55	.00	.00	8,264,006.45	17.4%
73127400 96201 UNREALIZED LOSS ON	0	0	.00	.00	.00	100,000.00	.0%
73127400 96203 LOSS ON FOREIGN CUR	100,000	100,000	.00	.00	.00	58,839.78	1.9%
73127400 96401 CONTRIB REFUND-GENE	60,000	60,000	1,160.22	.00	.00	5,000.00	.0%
73127400 96402 CONTRIB REFUND-SHER	5,000	5,000	.00	.00	.00	5,000.00	.0%

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# Bay County, Michigan

06/01/2015 13:24  
Marsters

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

P  
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FOR 2015 05

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 96403 CONTRIB REUND-ROAD	5,000	5,000	-00	.00	.00	5,000.00	.0%
73127400 96404 CONTRIB REUND-MED	40,000	40,000	11,603.72	.00	.00	28,396.28	29.0%
73127400 96405 CONTRIB REUND-B.A.	50,000	50,000	27,811.37	.00	.00	22,188.63	55.6%*
73127400 96406 CONTRIB REUND-D.W.	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96407 CONTRIB REUND-LIBR	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96500 INSURANCE AND BONDS	22,000	22,000	.00	.00	.00	22,000.00	.0%
73127400 96730 MACHINERY & EQUIPME	2,000	2,000	.00	.00	.00	2,000.00	.0%
73127400 96740 OFFICE EQUIP. & FURN	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 96741 COMPUTER HARDWARE E	0	0	.00	.00	.00	.00	.0%
73127400 96742 COMPUTER SOFTWARE E	0	0	.00	.00	.00	.00	.0%
73127400 96770 BOOK EXPENSE	0	0	.00	.00	.00	.00	.0%
73127400 96999 BUDGET REDUCTION TA	0	0	.00	.00	.00	.00	.0%
TOTAL OTHER SERVICES AND C	25,351,114	25,351,114	6,238,443.44	260,119.30	215.02	19,112,455.54	24.6%

## XQ CAPITAL OUTLAY

73127400 98001 COMPUTER SOFTWARE	0	0	.00	.00	.00	.00	.0%
TOTAL CAPITAL OUTLAY	0	0	.00	.00	.00	.00	.0%
TOTAL RETIREMENT BOARD	0	0	-11,343,226.04	160,041.74	215.02	11,343,011.02	100.0%
TOTAL RETIREMENT SYSTEM FUND	0	0	-11,343,226.04	160,041.74	215.02	11,343,011.02	100.0%
TOTAL REVENUES	-25,454,226	-25,454,226	-17,617,737.42	-107,732.40	.00	-7,836,488.58	
TOTAL EXPENSES	25,454,226	25,454,226	6,274,511.38	267,774.14	215.02	19,179,499.60	
GRAND TOTAL	0	0	-11,343,226.04	160,041.74	215.02	11,343,011.02	100.0%

\*\* END OF REPORT - Generated by Rebecca Marsters \*\*

# Bay County Michigan

06/01/2015 13:24  
RMasters

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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## REPORT OPTIONS

Sequence	Field #	Total	Page Break
Sequence 1	1	Y	N
Sequence 2	9	Y	N
Sequence 3	10	Y	N
Sequence 4	0	N	N

Report title:  
YEAR-TO-DATE BUDGET REPORT

Print Full or Short description: F  
Print MTD Version: Y  
Print Revenues-Version headings: N  
Format type: 1  
Print revenue budgets as zero: N  
Include Fund Balance: N  
Include requisition amount: N  
Multiyear view: D

Year/Period: 2015/ 5  
Print revenue as credit: Y  
Print totals only: N  
Suppress zero bal acct: N  
Print full GL account: N  
Double space: N  
Roll projects to object: N  
Carry forward code: 1  
Print journal detail: N  
From Yr/Per: 2014/ 7  
To Yr/Per: 2014/ 7  
Include budget entries: Y  
Incl encumb/liq entries: Y  
Sort by JB # or PO #: J  
Detail format option: 1

Field Name Find Criteria  
Field Value

7310

Fund  
FUNCTION  
ACTIVITY  
SPECIAL CODE  
SPECIAL COD2  
Character Code  
Org  
Object  
Project  
Account type  
Account status  
Rollup Code

BCERS

Invoices Approved: May

Invoice Date	Vendor	Amount	Description
4/23/2015	Cornerstone	\$ 22,100.96	Q1 Money Manager fee
4/21/2015	MFS Int'l	\$ 35,596.60	Q1 Performance Evaluation
4/1/2015	GRS	\$ 7,375.00	Q1 Money Manager fee
4/21/2015	MFS	\$ 59,056.53	Q1 Money Manager fee
4/9/2015	Geneva	\$ 44,650.00	Q1 Money Manager fee
4/13/2015	Loomis Sayles	\$ 27,930.90	Q1 Money Manager fee
4/27/2015	Baird	\$ 19,281.01	Q1 Money Manager fee
4/13/2015	Columbia	\$ 38,937.90	Q1 Money Manager fee
4/17/2015	Eagle	\$ 22,174.37	Q1 Money Manager fee
4/16/2015	Integrity	\$ 45,219.00	Q1 Money Manager fee

**BAY COUNTY  
DEPARTMENT OF CORPORATION COUNSEL**



**SHAWNA S. WALRAVEN**  
Assistant Corporation Counsel

**THOMAS L. HICKNER**  
Bay County Executive

TO: STEVE GRAY, CHAIR, BAY COUNTY EMPLOYEES'  
RETIREMENT SYSTEM

FROM: SHAWNA S. WALRAVEN, ASSISTANT CORPORATION  
COUNSEL

RE: INVESTMENT CONSULTANT RFP AUTHORIZATION

DATE: MAY 29, 2015

**Background:**

The Retirement Board has expressed a desire to review its service providers (actuary, investment consultant, medical director, outside attorney and custodian bank) on a five year cycle, reviewing one each year. Last year, the Retirement Board participated in an RFQ process for actuarial services. This year, investment consultant services would be up for review through a request for proposal process.

The tentative schedule for this process anticipates a mid-September RFP release date for the RFP and approval of the contract by the Retirement Board at the December 2015 meeting.

**Financial Considerations:**

After the issuance of the RFP and the acceptance of the bids, the Retirement Administrator will report back to the committee with further recommendation(s).

**RECOMMENDATION:** THAT THIS BOARD AUTHORIZE PERMISSION TO ISSUE A COMPETITIVE BID FOR INVESTMENT CONSULTANT SERVICES, HAVE THE BOARD CHAIR SIGN ANY RELATED DOCUMENTS AFTER REVIEW AND APPROVAL BY CORPORATION COUNSEL.

## BAY COUNTY RETIREMENT BOARD

6/09/15

## RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD (06/09/15)

WHEREAS, The Retirement Board has expressed a desire to review its service providers (actuary, investment consultant, medical director, outside attorney and custodian bank) on a five year cycle, reviewing one each year. Last year, the Retirement Board participated in an RFQ process for actuarial services. This year, investment consultant services would be up for review through a request for proposal process.

WHEREAS, The tentative schedule for this process anticipates a mid-September RFP release date for the RFP and approval of the contract by the Retirement Board at the December 2015 meeting.

WHEREAS, After the issuance of the RFP and the acceptance of the bids, the Retirement Administrator will report back to the committee with further recommendation(s). Therefore, Be It

RESOLVED That this Board authorize permission to issue a competitive bid for investment consultant services, have the Board Chair sign any related documents after review and approval by Corporation Counsel.

STEVE GRAY, CHAIR  
AND BOARD

## INVESTMENT CONSULTANT RFP AUTHORIZATION

MOVED BY TRUSTEE \_\_\_\_\_

SUPPORTED BY TRUSTEE \_\_\_\_\_

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

**BAY COUNTY  
DEPARTMENT OF CORPORATION COUNSEL**



**SHAWNA S. WALRAVEN**  
Assistant Corporation Counsel

**THOMAS L. HICKNER**  
Bay County Executive

TO: STEVE GRAY, CHAIR, BAY COUNTY EMPLOYEES'  
RETIREMENT SYSTEM

FROM: SHAWNA S. WALRAVEN, ASSISTANT CORPORATION  
COUNSEL

RE: BCERS ELECTION RULES

DATE: MAY 29, 2015

**Background:**

A change in the Election Rules was suggested by Bay County Clerk Cynthia Luczak. In order to assist election workers with election duties, she suggested that identification be required and presented to the workers in order for the member to cast their ballot.

The change proposes that an employee may present any federal or state photo identification or an employee badge issued by the employee group.

The change suggested complies with voter identification laws in Michigan.

The amended portion of Section IX of Election Rules is underlined for your convenience.

**RECOMMENDATION:** THAT THIS BOARD APPROVE THIS POLICY AT THE  
MEETING SCHEDULED ON JUNE 9, 2015.

**ELECTION RULES FOR EMPLOYEE REPRESENTATIVES  
TO THE BOARD OF TRUSTEES OF THE BAY COUNTY  
EMPLOYEES' RETIREMENT SYSTEM**

ADOPTED 12-8-87  
AMENDED 6-11-96  
AMENDED 9-14-99  
AMENDED 8-12-02  
AMENDED 11-5-02  
AMENDED 8-10-10  
AMENDED \_- \_ -15

## **SECTION I**

### **CANDIDATE ELIGIBILITY**

Candidates for positions as trustees of the Bay County Employees' Retirement System must be members of the Retirement System and employees of the member group they seek to represent.

## **SECTION II**

### **ELECTION SCHEDULING**

The County Clerk, at the request of the Secretary of the Retirement Board, shall schedule the date of all elections of any elected positions on the Retirement Board. Elections shall be scheduled for the second Tuesday following the first Monday in December. The election shall be conducted between the hours of 8 a.m. and 4 p.m. No ballots shall be received or accepted after the 4 p.m. deadline on the day the election is conducted.

## **SECTION III**

### **NOTICE OF ELECTION**

The Secretary of the Retirement Board shall prepare a Notice of Election for all elections for elected member representatives of the Board of Trustees of the Bay County Employees' Retirement System. The Finance



Officer and the Human Resources Director of each employee group shall be responsible for distributing and posting the Notice of Election so that all members of the employee group will be informed of the election.

The Notice of Election shall be posted no later than thirty (30) days immediately preceding the date of the election.

The Notice of Election shall include at least the following information: date of election; the date nominating petitions will be available and the deadline for filing the same; the date absent voter ballots will be available and the deadline for filing the same; the deadline for withdrawing nominating petitions; the employee group representative to be elected; and locations of designated precincts.

## **SECTION IV**

### **PETITIONS**

Candidates for the position of trustee of the Bay County Employees' Retirement System must file a nominating petition with the County Clerk containing the signatures of not less than 20 members of the employee group of which they are a member and seek to represent. Members may sign only one (1) nominating petition. Nominating petitions shall be prepared by the County Clerk and be made available to interested candidates at the County Clerk's office. Nominating petitions will be available the day the Notice of Election is posted. Nominating petitions shall be filed no later than 4 p.m. on the tenth day following the posting of the

election notice. The County Clerk shall check all nominating petitions to verify that the signatures contained therein are those of the eligible members of the candidate's employee group from a current employee list provided by the Secretary of the Retirement Board. The County Clerk shall be authorized to reject any petitions not conforming to the rules.

## **SECTION V**

### **COPIES OF ELECTION RULES**

A copy of these election rules for employee group representatives to the Board of Trustees of the Bay County Employees' Retirement System will be given to each person requesting a nominating petition from the County Clerk and to any other interested person who requests the same.

## **SECTION VI**

### **WITHDRAWAL OF NOMINATION**

Candidates may withdraw their nominations until 4 p.m. on the third day following the nomination petition filing deadline. Write-in candidates will not be allowed.

## **SECTION VII**

### **VOTER ELIGIBILITY**

All members of the Retirement System shall be eligible to vote for a representative of the employee group of which they are members on the date that the Notice of Election is posted. Members shall elect a representative of each of the following employee groups further detailed within the Bay County Employees' Retirement System Ordinance: 1) the Bay County Road Commission and the Department of Water and Sewer; 2) the Bay County Medical Care Facility; 3) the Bay County Sheriff's Office and the

Bay County Library System; and 4) all members who are not employed by either groups 1), 2), or 3).

## **SECTION VIII**

### **CAMPAIGN RULES**

Candidates may conduct campaign activities which are consistent with the personnel policies applicable to their employee group. Candidates shall be allowed to post campaign literature of a size no greater than 8.5" x 11" in areas designated by the Human Resources Director of the various employee groups. Candidates are prohibited from using the employer's stationary in any campaign correspondence to employees or in any other campaign materials. Candidates shall adhere to the personnel policies of each of the participating employee groups voting for a trustee.

## **SECTION IX**

### **PAPER BALLOT PRECINCT**

Employees will be eligible to vote at an assigned precinct by signing an application to vote and presenting the signed application to an election inspector. A person offering to vote, before being given a ballot, shall identify himself or herself by executing an application to vote, showing the applicant's signature and department name in the presence of an election inspector. In addition, the person offering to vote will present the election inspector with one of the following forms of identification: 1) federal or state issued photo identification; or 2) employee badge issued by the respective employee group. The election inspector in charge of the list of employees eligible to vote shall check the list from the application to determine the eligibility of the voter and whether an absent voter ballot

was issued. A red check mark would confirm an absent voter ballot was issued. If the voter does not know his or her department name, the inspector will enter the department name on the application to vote upon completion of the name check. The inspector will highlight the name of the person voting on the list of eligible voters. If it is found that the applicant/voter is entitled to vote, an election inspector shall approve the application after which the number of the ballot issued shall be noted on the application and the application shall be placed upon a spindle.

The ballot will be issued and voted. The elector shall fold his or her ballot so that no part of the face shall be exposed and with the detachable corner on the outside. The elector shall deliver the ballot to the inspector and the inspector shall tear off the perforated corner of the ballot containing the number and shall then in the presence of the elector deposit the ballot in the proper ballot box without opening the ballot. The number will be discarded.

If an elector inadvertently spoils a ballot, he shall return the ballot given him to the election inspector, and said inspector shall deliver to him as many additional ballots as necessary to complete the process in accordance with Michigan's election Law. One of the inspectors shall upon the application to vote note the change in ballot number by drawing a line through the first number and entering the new number(s). The spoiled ballot(s) shall be deposited in the envelope marked for spoiled ballots.

If an elector, after marking his or her ballot, exposes it to any person in a manner likely to reveal the name of any candidate for whom the

elector voted, the election inspector shall reject the ballot and the elector shall forfeit the right to vote. A note of occurrence shall be made upon the poll list opposite the name of the elector.

## **SECTION X**

### **BALLOTS**

Voting shall be by secret ballot. The ballots will be prepared by the County Clerk. The Retirement System shall pay the expenses of preparing the ballots.

## **SECTION XI**

### **ABSENT VOTER PRECINCT**

Employees who for reason of absence, illness, vacation, leave or who will not be present during the regular election period will be allowed to vote by an absent voter ballot. Absent voter ballots will be distributed by the County Clerk to each employee requesting the same who can verify that they will be absent from work for any of the above-stated reasons.

Absent voter ballots will be made available to eligible voting members during the period of Monday through Friday of the week immediately preceding the week in which the election is scheduled. All absent voter ballots must be returned to the County Clerk's office no later than 4:45 p.m. on the Friday immediately preceding the election. The Secretary of the Bay County Employees' Retirement System shall provide the County Clerk with the master list of all eligible voters in the employee group.

## **SECTION XII**

### **NOTICE OF PRECINCT LOCATIONS AND** **COLLECTION OF BALLOTS**

The County Clerk shall determine precinct locations. A notice shall be posted ten (10) days prior to the election. The notice shall include at least the following information: the proper voter location for each department; absence voter precinct location; date and time of the election, and where a copy of the election rules can be obtained. The Finance Officer and the Human Resources Director of each employee group shall be responsible for distributing and posting the notice of precinct locations so that all members of the employee groups will be informed of the precinct locations.

After the polls close the inspectors will count the applications to vote, the number of ballots issued, and the number of highlighted names on the voter list. All should coincide. The applications to vote will be placed in an envelope and sealed. The remaining ballots will be placed in an envelope designated for ballots and both returned to the County Clerk. All exposed or spoiled ballots shall be sealed in designated envelopes. The poll list of eligible votes will be placed in the ballot can with a certification by the inspectors of the number of persons voting, the number of applications processed, the number of spoiled ballots, the number of exposed ballots and the number of ballots returned. All should coincide, and the inspectors shall provide written justification for any discrepancy.

The ballot can shall be returned to the County Clerk no later than 5:00 p.m. on the election day.

The ballot cans to be placed at the various precinct locations shall be sealed by the County Clerk preceding their distribution to the election

workers. The seal shall be recorded prior to the distribution of the ballot cans. Seals shall be checked by the County Clerk before the ballot can is opened; if the number on the seal corresponds with the recorded number as noted by the County Clerk prior to voting, the ballots contained therein shall be counted. If the seal number does not correspond to the number recorded by the County Clerk for that ballot can, the ballots contained therein will not be counted.

It will be the responsibility of the election worker(s), who receives the ballots, to provide for the safekeeping of the ballot can during the election period. It will also be their responsibility to return the ballot can to the Clerk's office by 5 p.m. on the election day.

### **SECTION XIII**

#### **TALLY CLERKS**

The County Clerk shall employ two (2) tally clerks to assist him/her in counting the ballots. The tally clerks shall be compensated at a rate similar to that received by tally clerks in regular County elections and the expense of the same shall be charged to the Retirement System as an administrative expense.

### **SECTION XV**

#### **BALLOT PROCESSING**

For each precinct, it shall be the responsibility of the County Clerk or his or her designee to verify the number of applications to vote, the number of highlighted names on the master list, and the number of ballots voted to ensure that all three counts coincide. The County Clerk and/or his/her designee shall be responsible for calling the votes, as each ballot can is

opened, the ballot removed, the vote read, and the ballot placed in separate piles according to each candidate. Upon completion, the tally clerks will check against each other and a double check will be made from the individual piles to verify the vote totals.

## **SECTION XV**

### **CHALLENGERS**

Each candidate or a representative designated by the candidate, will be allowed to observe the counting of ballots. Candidates or their representatives shall have the right to challenge any ballot. Ballots challenged regarding the sufficiency of the marking of the ballot shall be resolved by a determination of the intent of the voter. Challenged ballots shall be individually identified and the reasons for the challenge noted by the County Clerk.

## **SECTION XVI**

### **REVIEW OF CHALLENGED BALLOTS**

Any candidate may request that any challenged ballots be reviewed by an Election Review Board which shall include the County Treasurer, Register of Deeds, and the County Executive. Decisions of the Election Review Board regarding challenged ballots shall be considered final.

## **SECTION XVII**

### **RECOUNTS**

Any candidate may file a request for a recount of the ballots within six (6) days after the certification of the election results by the County Clerk by posting a twenty-five dollar (\$25) recount filing fee. If the ballots are recounted and there is no change in the election results, the candidate will forfeit the twenty-five dollar (\$25) fee. If however the election results



change as a result of the recount, the candidate will be refunded his/her filing fees. In the event of a recount, the County Clerk shall employ two (2) tally clerks in the same manner as identified in Section XIII.

## **SECTION XVIII**

### **TIE VOTES**

Tie votes will be resolved by a flip of a coin conducted by the County Clerk. The winner of the coin flip will be declared the winner of the election.

## **SECTION XIX**

### **UNOPPOSED CANDIDATE**

If only one candidate has filed for the respective open position per employee group, it shall be at the discretion of the Board of Trustees to not proceed with the election and deem the candidate to be elected by a vote of at least five (5) concurring votes.

## **SECTION XX**

### **GENERAL ELECTION LAW**

Any issue not specifically addressed by these rules will be resolved by reference to the General Election Law of the State of Michigan.

## **SECTION XXI**

### **ELECTION RULES**

These rules may be suspended by a vote of at least six (6) concurring votes of the Board of Trustees, in a roll call vote.

These rules may be amended by a vote of at least five (5) concurring votes of the Board of Trustees.

**BAY COUNTY RETIREMENT BOARD**  
**06/09/15**  
**RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (06/09/15)

WHEREAS, A change in the Election Rules was suggested by Bay County Clerk Cynthia Luczak. In order to assist election workers with election duties, she suggested that identification be required and presented to the workers in order for the member to cast their ballot.

WHEREAS, The change proposes that an employee may present any federal or state photo identification or an employee badge issued by the employee group.

WHEREAS, The suggested change complies with voter identification laws in Michigan.

WHEREAS, The amended portion of Section IX of Election Rules is underlined for your convenience. Therefore, Be it

RESOLVED That this Board approve this policy at the meeting scheduled on June 9, 2015.

STEVE GRAY, CHAIR  
AND BOARD

**BCERS ELECTION RULES**

MOVED BY TRUSTEE \_\_\_\_\_

SUPPORTED BY TRUSTEE \_\_\_\_\_

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
 Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

**BAY COUNTY  
DEPARTMENT OF CORPORATION COUNSEL**



**SHAWNA S. WALRAVEN**  
Assistant Corporation Counsel

**THOMAS L. HICKNER**  
Bay County Executive

TO: STEVE GRAY, CHAIR, BAY COUNTY EMPLOYEES'  
RETIREMENT SYSTEM

FROM: SHAWNA S. WALRAVEN, ASSISTANT CORPORATION  
COUNSEL

RE: FOIA POLICY UPDATE

DATE: MAY 29, 2015

**Background:**

The Retirement Board adopted the Bay County Freedom of Information Act (FOIA) Policy on October 14, 2014. The purpose of this policy was to disclose public records and insure compliance with the Freedom of Information Act consistent with state law.

Michigan Public Act 563 (2014) amends the Michigan Freedom of Information Act, Public Act 442 (1976), effective July 1, 2015. These changes necessitate replacing Bay County's Freedom of Information Act (FOIA) Policy with the attached Bay County FOIA Procedures & Guidelines which incorporates the changes to the Act.

**Financial Considerations:**

No financial impact.

**RECOMMENDATION:** THAT THIS BOARD ADOPT THE BAY COUNTY FOIA  
PROCEDURES & GUIDELINES EFFECTIVE JULY 1, 2015.

## **Bay County**

### **FOIA Procedures and Guidelines**

#### **Preamble: Statement of Principles**

It is the policy of Bay County that all persons, except those incarcerated, consistent with the Michigan Freedom of Information Act (FOIA), are entitled to full and complete information regarding the affairs of government and the official acts of those who represent them as public officials and employees. The people shall be informed so that they fully participate in the democratic process.

The County's policy with respect to FOIA requests is to comply with State law in all respects and to respond to FOIA requests in a consistent, fair, and even-handed manner regardless of who makes such a request.

The County acknowledges that it has a legal obligation to disclose all nonexempt public records in its possession pursuant to a FOIA request. The County acknowledges that sometimes it is necessary to invoke the exemptions identified under FOIA in order to ensure the effective operation of government and to protect the privacy of individuals.

Bay County will protect the public's interest in disclosure, while balancing the requirement to withhold or redact portions of certain records. The County's policy is to disclose public records consistent with and in compliance with State law.

The County Board of Commissioners has established the following written procedures and guidelines to implement the FOIA and will create a written public summary of the specific procedures and guidelines relevant to the general public regarding how to submit written requests to the public body and explaining how to understand a public body's written responses, deposit requirements, fee calculations, and avenues for challenge and appeal. The written public summary will be written in a manner so as to be easily understood by the general public.

#### **Section 1: General Policies**

The County Board of Commissioners, acting pursuant to the mandate of MCL 15.236, designates the County Executive as the FOIA Coordinator. He or she is authorized to designate other County staff to act on his or her behalf to accept and process written requests for the County's public records and approve denials.

If a request for a public record is received by fax or email, the request is deemed to have been received on the following business day. If a request is sent by email and delivered to a County spam or junk-mail folder, the request is not deemed received until one day after the FOIA Coordinator first becomes aware of the request. The FOIA Coordinator shall note in the FOIA log both the date the request was delivered to the spam or junk-mail folder and the date the FOIA Coordinator became aware of the request.

The FOIA Coordinator or his designee(s) shall review County spam and junk-mail folders on a regular basis, which shall be not less than once per month. The FOIA Coordinator shall work with County Information Technology staff to develop administrative rules for handling spam and junk-mail so as to protect County systems from computer attacks which may be imbedded in an electronic FOIA request.

The FOIA Coordinator may, in his or her discretion, implement administrative rules, consistent with State law and these Procedures and Guidelines to administer the acceptance and processing of FOIA requests.

The County is not obligated to create a new public record or make a compilation or summary of information which does not already exist. Neither the FOIA Coordinator nor other County staff are obligated to provide answers to questions contained in requests for public records or regarding the content of the records themselves. The FOIA Coordinator shall keep a copy of all written requests for public records received by the County on file for a period of at least one year.

The County will make this Procedures and Guidelines document and the Written Public Summary publicly available without charge. If it does not, the County cannot require deposits or charge fees otherwise permitted under the FOIA until it is in compliance.

This Procedures and Guidelines document and the County's Written Public Summary will be maintained on the County's website at: [www.baycounty-mi.gov](http://www.baycounty-mi.gov) and a link to those documents may be provided in lieu of providing paper copies of those documents.

## **Section 2: Requesting a Public Record**

No specific form to submit a request for a public record is required. However the FOIA Coordinator may make available a FOIA Request Form for use by the public.

Requests to inspect or obtain copies of public records prepared, owned, used, possessed or retained by the County may be submitted on the County's FOIA Request Form, in any other form of writing (letter, fax, email, etc.), or by verbal request.

Verbal requests for records may be documented by the County on the County's FOIA Request Form.

If a person makes a verbal, non-written request for information believed to be available on the County's website, where practicable and to the best ability of the employee receiving the request, the person shall be informed of the pertinent website address.

A request must sufficiently describe a public record so as to enable County personnel to identify and find the requested public record.

Written requests for public records may be submitted in person or by mail to any County office. Requests may also be submitted electronically by fax and email. Upon their receipt, requests for public records shall be promptly forwarded to the FOIA Coordinator for processing.

A person may request that public records be provided on non-paper physical media, emailed or otherwise provided to him or her in digital form in lieu of paper copies. The County will comply with the request only if it possesses the necessary technological capability to provide records in the requested non-paper physical media format.

A person may subscribe to future issues of public records that are created, issued or disseminated by Bay County on a regular basis. A subscription is valid for up to 6 months and may be renewed by the subscriber.

A person serving a sentence of imprisonment in a local, state or federal correctional facility is not entitled to submit a request for a public record. The FOIA Coordinator will deny all such requests.



### Section 3: Processing a Request

Unless otherwise agreed to in writing by the person making the request, the County will issue a response within 5 business days of receipt of a FOIA request. If a request is received by fax, email or other electronic transmission, the request is deemed to have been received on the following business day.

The County will respond to a request in one of the following ways:

- Grant the request.
- Issue a written notice denying the request.
- Grant the request in part and issue a written notice denying in part the request.
- Issue a notice indicating that due to the nature of the request the County needs an additional 10 business days to respond for a total of no more than 15 business days. Only one such extension is permitted.
- Issue a written notice indicating that the public record requested is available at no charge on the County's website.

#### *When a request is granted:*

If the request is granted, or granted in part, the FOIA Coordinator will require that payment be made in full for the allowable fees associated with responding to the request before the public record is made available.

The FOIA Coordinator shall provide a detailed itemization of the allowable costs incurred to process the request to the person making the request.

A copy of these Procedures and Guidelines and the Written Public Summary will be provided to the requestor free of charge with the response to a written request for public records, provided however, that because these Procedures and Guidelines and the Written Public Summary are maintained on the County's website at: [www.baycounty-mi.gov](http://www.baycounty-mi.gov), a link to the Procedures and Guidelines and the Written Public Summary may be provided in lieu of providing paper copies of those documents.

If the cost of processing a FOIA request is \$50 or less, the requester will be notified of the amount due and where the documents can be obtained.

If the cost of processing a FOIA request is expected to exceed \$50 based on a good-faith calculation, or if the requestor has not paid in full for a previously granted request, the County will require a good-faith deposit pursuant to Section 4 of this policy before processing the request.

In making the request for a good-faith deposit the FOIA Coordinator shall provide the requestor with a detailed itemization of the allowable costs estimated to be incurred by the County to process the request and also provide a best efforts estimate of a time frame it will take the County to provide the records to the requestor. The best efforts estimate shall be nonbinding on the County, but will be made in good faith and will strive to be reasonably accurate, given the nature of the request in the particular instance, so as to provide the requested records in a manner based on the public policy expressed by Section 1 of the FOIA.

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***When a request is denied or denied in part:***

If the request is denied or denied in part, the FOIA Coordinator will issue a Notice of Denial which shall provide in the applicable circumstance:

- An explanation as to why a requested public record is exempt from disclosure; or
- A certificate that the requested record does not exist under the name or description provided by the requestor, or another name reasonably known by the County; or
- An explanation or description of the public record or information within a public record that is separated or deleted from the public record; and
- An explanation of the person's right to submit an appeal of the denial to either the office of the County Executive or seek judicial review in the Bay County Circuit Court; and
- An explanation of the right to receive attorneys' fees, costs, and disbursements as well actual or compensatory damages, and punitive damages of \$1,000, should the requestor prevail in Circuit Court.
- The Notice of Denial shall be signed by the FOIA Coordinator or his/her designee.

If a request does not sufficiently describe a public record, the FOIA Coordinator may, in lieu of issuing a Notice of Denial indicating that the request is deficient, seek clarification or amendment of the request by the person making the request. Any clarification or amendment will be considered a new request subject to the timelines described in this Section.

***Requests to inspect public records:***

The County shall provide reasonable facilities and opportunities for persons to examine and inspect public records during normal business hours. The FOIA Coordinator is authorized to promulgate rules regulating the manner in which records may be viewed so as to protect County records from loss, alteration, mutilation or destruction and to prevent excessive interference with normal County operations.

***Requests for certified copies:***

The FOIA Coordinator shall, upon written request, furnish a certified copy of a public record at no additional cost to the person requesting the public record.

**Section 4: Fee Deposits**

If the fee estimate is expected to exceed \$50.00 based on a good-faith calculation, the requestor will be asked to provide a deposit not exceeding one-half of the total estimated fee.

If a request for public records is from a person who has not paid the County in full for copies of public records made in fulfillment of a previously granted written request, the FOIA Coordinator will require a deposit of 100% of the estimated processing fee before beginning to search for a public record for any subsequent written request by that person when all of the following conditions exist:

- The final fee for the prior written request is not more than 105% of the estimated fee;
- The public records made available contained the information sought in the prior written request and remain in the County's possession;
- The public records were made available to the individual, subject to payment, within the time frame estimated by the County to provide the records;
- Ninety (90) days have passed since the FOIA Coordinator notified the individual in writing that the public records were available for pickup or mailing;
- The individual is unable to show proof of prior payment to the County; and
- The FOIA Coordinator has calculated a detailed itemization that is the basis for the current written request's increased estimated fee deposit.

The FOIA Coordinator will not require an increased estimated fee deposit if any of the following apply:

- The person making the request is able to show proof of prior payment in full to the County;
- The County is subsequently paid in full for the applicable prior written request; or
- Three hundred sixty five (365) days have passed since the person made the request for which full payment was not remitted to the County.

## **Section 5: Calculation of Fees**

A fee may be charged for the labor cost of copying/duplication.

A fee will *not* be charged for the labor cost of search, examination, review and the deletion and separation of exempt from nonexempt information *unless* failure to charge a fee would result in unreasonably high costs to the County because of the nature of the request in the particular instance, and the County specifically identifies the nature of the unreasonably high costs.

Costs for the search, examination review, and deletion and separation of exempt from non-exempt information are “unreasonably high” when they are excessive and beyond the normal or usual amount for those services (Attorney General Opinion 7083 of 2001) compared to the costs of the County’s usual FOIA requests, not compared to the County’s operating budget. (*Bloch v. Davison Community Schools*, Michigan Court of Appeals, Unpublished, April 26, 2011)

The following factors shall be used to determine an unreasonably high cost to the County:

- Volume of the public record requested;
- Amount of time spent to search for, examine, review and separate exempt from non-exempt information in the record requested;
- Whether the public records are from more than one County department or whether various County offices are necessary to respond to the request;
- The available staffing to respond to the request; and
- Any other similar factors identified by the FOIA Coordinator in responding to the particular request.

The Michigan FOIA statute permits the County to charge for the following costs associated with processing a request:

- Labor costs associated with copying or duplication, which includes making paper copies, making digital copies, or transferring digital public records to non-paper physical media or through the Internet;
- Labor costs associated with searching for, locating and examining a requested public record, when failure to charge a fee will result in unreasonably high costs to the County;
- Labor costs associated with a review of a record to separate and delete information exempt from disclosure, when failure to charge a fee will result in unreasonably high costs to the County;
- The cost of copying or duplication, not including labor, of paper copies of public records. This may include the cost for copies of records already on the County’s website if you ask for the County to make copies;
- The cost of computer discs, computer tapes or other digital or similar media when the requester asks for records in non-paper physical media. This may include the cost for copies of records already on the County’s website if you ask for the County to make copies; and
- The cost to mail or send a public record to a requestor.



Labor costs will be calculated based on the following requirements:

- All labor costs will be estimated and charged in 15-minute increments, with all partial time increments rounded down. If the time involved is less than 15 minutes, there will be no charge;
- Labor costs will be charged at the hourly wage of the lowest-paid County employee capable of doing the work in the specific fee category, regardless of who actually performs work;
- Labor costs will also include a charge to cover or partially cover the cost of fringe benefits;
- The County may add up to 50% to the applicable labor charge amount to cover or partially cover the cost of fringe benefits, but in no case may it exceed the actual cost of fringe benefits;
- Overtime wages will not be included in labor costs unless agreed to by the requestor; overtime costs will not be used to calculate the fringe benefit cost;
- Contracted labor costs will be charged at the hourly rate of \$48.90 (6 times the state minimum hourly wage).

The cost to provide records on non-paper physical media when so requested will be based on the following requirements:

- Computer disks, computer tapes or other digital or similar media will be at the actual and most reasonably economical cost for the non-paper media;
- This cost will only be assessed if the County has the technological capability necessary to provide the public record in the requested non-paper physical media format; and
- The County will procure any non-paper media and will not accept media from the requestor in order to ensure integrity of the County's technology infrastructure.

The cost to provide paper copies of records will be based on the following requirements:

- Paper copies of public records made on standard letter (8 ½ x 11) or legal (8 ½ x 14) sized paper will not exceed \$.10 per sheet of paper. Copies for non-standard sized sheets of paper will reflect the actual cost of reproduction.
- The County will provide records using double-sided printing, if it is cost-saving and available.

The cost to mail records to a requestor will be based on the following requirements:

- The actual cost to mail public records using a reasonably economical and justified means.
- The County may charge for the least expensive form of postal delivery confirmation.
- No cost will be made for expedited shipping or insurance unless specified by the requestor.

If the FOIA Coordinator does not respond to a written request in a timely manner, the County must:

- Reduce the labor costs by 5% for each day the County exceeds the time permitted under FOIA up to a 50% maximum reduction, if *any* of the following applies:
  - The County's late response was willful and intentional;
  - The written request conveyed a request for information within the first 250 words of the body of a letter facsimile, email or email attachment; or
  - The written request included the words, characters, or abbreviations for "freedom of information," "information," "FOIA," "copy" or a recognizable misspelling of such, or legal code reference to MCL 15. 231, et seq. or 1976 Public Act 442 on the front of an envelope or in the subject line of an email, letter or facsimile cover page.
- Fully note the charge reduction in the Detailed Itemization of Costs Form.

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## Section 6: Waiver of Fees

The cost of the search for and copying of a public record may be waived or reduced if in the sole judgment of the FOIA Coordinator a waiver or reduced fee is in the public interest because it can be considered as primarily benefitting the general public. The County Board of Commissioners may identify specific records or types of records it deems should be made available for no charge or at a reduced cost.

## Section 7: Discounted Fees

### *Indigence*

The FOIA Coordinator will discount the first \$20.00 of the processing fee for a request if the person requesting a public record submits an affidavit stating that they are:

- Indigent and receiving specific public assistance, or
- If not receiving public assistance, stating facts demonstrating an inability to pay because of indigence.

An individual is not eligible to receive the waiver if:

- The requestor has previously received discounted copies of public records from the County twice during the calendar year; or
- The requestor requests information in connection with other persons who are offering or providing payment to make the request.

An affidavit is sworn statement. The FOIA Coordinator may make a Fee Waiver Affidavit Form available for use by the public.

### *Nonprofit organization advocating for developmentally disabled or mentally ill individuals*

The FOIA Coordinator will discount the first \$20.00 of the processing fee for a request from:

- A nonprofit organization formally designated by the state to carry out activities under subtitle C of the federal developmental disabilities assistance and bill of rights act of 2000, Public Law 106-402, and the protection and advocacy for individuals with mental illness act, Public Law 99-319, or their successors, if the request meets **all** of the following requirements:
  - Is made directly on behalf of the organization or its clients;
  - Is made for a reason wholly consistent with the mission and provisions of those laws under section 931 of the mental health code, 1974 PA 258, MCL 330.1931; and
  - Is accompanied by documentation of its designation by the state, if requested by the County.

## Section 8: Appeal of a Denial of a Public Record

When a requestor believes that all or a portion of a public record has not been disclosed or has been improperly exempted from disclosure, he or she may appeal to the County Board of Commissioners by filing an appeal of the denial with the office of the County Executive.

The appeal must be in writing, specifically state the word "appeal" and identify the reason or reasons the requestor is seeking a reversal of the denial. The County FOIA Appeal Form (To Appeal a Denial of Records), may be used.

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The County Board of Commissioners is not considered to have received a written appeal until the first regularly scheduled County Board of Commissioners meeting following submission of the written appeal.

Within 10 business days of receiving the appeal the County Board of Commissioners will respond in writing by:

- Reversing the disclosure denial;
- Upholding the disclosure denial; or
- Reversing the disclosure denial in part and upholding the disclosure denial in part; or
- Under unusual circumstances, issue a notice extending for not more than 10 business days the period during which the County Board of Commissioners shall respond to the written appeal. The County Board of Commissioners shall not issue more than 1 notice of extension for a particular written appeal.

If the County Board of Commissioners fails to respond to a written appeal, or if the County Board of Commissioners upholds all or a portion of the disclosure denial that is the subject of the written appeal, the requesting person may seek judicial review of the nondisclosure by commencing a civil action in Circuit Court.

Whether or not a requestor submitted an appeal of a denial to the County Board, he or she may file a civil action in Bay County Circuit Court within 180 days after the County's final determination to deny the request.

If a court determines a public record is not exempt from disclosure, it shall order the County to cease withholding or to produce all or a portion of a public record wrongfully withheld, regardless of the location of the public record. Failure to comply with an order of the court may be punished as contempt of court.

If a person asserting the right to inspect, copy, or receive a copy of all or a portion of a public record prevails in such an action, the court shall award reasonable attorneys' fees, costs, and disbursements. If the person or County prevails in part, the court may, in its discretion, award all or an appropriate portion of reasonable attorneys' fees, costs, and disbursements.

If the court determines that the County has arbitrarily and capriciously violated this act by refusal or delay in disclosing or providing copies of a public record, the court shall order the County to pay a civil fine of \$1,000.00, which shall be deposited into the general fund of the state treasury. The court shall award, in addition to any actual or compensatory damages, punitive damages in the amount of \$1,000.00 to the person seeking the right to inspect or receive a copy of a public record. The damages shall not be assessed against an individual, but shall be assessed against the next succeeding public body that is not an individual and that kept or maintained the public record as part of its public function.

### **Section 9: Appeal of an Excessive FOIA Processing Fee**

"Fee" means the total fee or any component of the total fee calculated under section 4 of the FOIA, including any deposit.

If a requestor believes that the fee charged by the County to process a FOIA request exceeds the amount permitted by state law or under this policy, he or she must first appeal to the County Board of Commissioners by submitting a written appeal for a fee reduction to the office of the County Executive.

The appeal must be in writing, specifically state the word "appeal" and identify how the required fee exceeds the amount permitted. The County FOIA Appeal Form (To Appeal an Excess Fee) may be used.

The County Board of Commissioners is not considered to have received a written appeal until the first regularly scheduled County Board of Commissioners meeting following submission of the written appeal.

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Within 10 business days after receiving the appeal, the County Board of Commissioners will respond in writing by:

- Waiving the fee;
- Reducing the fee and issuing a written determination indicating the specific basis that supports the remaining fee;
- Upholding the fee and issuing a written determination indicating the specific basis that supports the required fee; or
- Issuing a notice detailing the reason or reasons for extending for not more than 10 business days the period during which the County Board of Commissioners will respond to the written appeal. The County Board of Commissioners shall not issue more than 1 notice of extension for a particular written appeal.

Where the County Board of Commissioners reduces or upholds the fee, the determination must include a certification from the County Board of Commissioners that the statements in the determination are accurate and that the reduced fee amount complies with its publicly available procedures and guidelines and Section 4 of the FOIA.

Within 45 days after receiving notice of the County Board's determination of an appeal, the requesting person may commence a civil action in Bay County Circuit Court for a fee reduction.

If a civil action is commenced against the County for an excess fee, the County is not obligated to complete the processing of the written request for the public record at issue until the court resolves the fee dispute.

An action shall not be filed in circuit court unless *one* of the following applies:

- The County does not provide for appeals of fees;
- The County Board of Commissioners failed to respond to a written appeal as required; or
- The County Board of Commissioners issued a determination to a written appeal.

If a court determines that the County required a fee that exceeds the amount permitted under its publicly available procedures and guidelines or Section 4 of the FOIA, the court shall reduce the fee to a permissible amount. Failure to comply with an order of the court may be punished as contempt of court.

If the requesting person prevails in court by receiving a reduction of 50% or more of the total fee, the court may, in its discretion, award all or an appropriate portion of reasonable attorneys' fees, costs, and disbursements. The award shall be assessed against the public body liable for damages.

If the court determines that the County has arbitrarily and capriciously violated the FOIA by charging an excessive fee, the court shall order the County to pay a civil fine of \$500.00, which shall be deposited in the general fund of the state treasury. The court may also award, in addition to any actual or compensatory damages, punitive damages in the amount of \$500.00 to the person seeking the fee reduction. The fine and any damages shall not be assessed against an individual, but shall be assessed against the next succeeding public body that is not an individual and that kept or maintained the public record as part of its public function.

## **Section 10: Conflict with Prior FOIA Policies and Procedures; Effective Date**

To the extent that these Procedures and Guidelines conflict with previous FOIA policies promulgated by the County Board of Commissioners or the County Administration these Procedures and Guidelines are controlling.

To the extent that any provision of these Procedures and Guidelines or any administrative rule promulgated by the FOIA Coordinator pertaining to the release of public records is found to be in conflict with any State statute, the applicable statute shall control. The FOIA Coordinator is authorized to adopt such administrative rules as he or she may deem necessary, to facilitate the legal review and processing of requests for public records made pursuant to Michigan's FOIA statute, provided that such modifications and rules are consistent with State law.

These FOIA Policies and Guidelines become effective July 1, 2015, pursuant to Bay County Board of Commissioners' Resolution #2015-\_\_\_\_.

## **Section 11: Appendix of Bay County FOIA Forms**

- Request for Public Records Form
- Notice to Extend Response Time Form
- Notice of Denial Form
- Detailed Cost Itemization Form
- Appeal of Denial of Records Form
- Appeal of Excess Fee Form

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## BAY COUNTY RETIREMENT BOARD

06/09/15

## RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD ( 06/09/15)

WHEREAS, The Retirement Board adopted the Bay County Freedom of Information Act (FOIA) Policy on October 14, 2014. The purpose of this policy was to disclose public records and insure compliance with the Freedom of Information Act consistent with state laws.

WHEREAS, Michigan Public Act 563 (2014) amends the Michigan Freedom of Information Act, Public Act 442 (1976), effective July 1, 2015. These changes necessitate replacing Bay County's Freedom of Information Act (FOIA) Policy with the attached Bay County FOIA Procedures & Guidelines which incorporates the changes to the Act. Therefore, Be It

RESOLVED That this Board adopt the Bay County FOIA Procedures & Guidelines effective July 1, 2015.

STEVE GRAY, CHAIR  
AND BOARD

## BAY COUNTY FOIA PROCEDURES &amp; GUIDELINES EFFECTIVE JULY 1, 2015

MOVED BY TRUSTEE \_\_\_\_\_

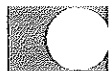
SUPPORTED BY TRUSTEE \_\_\_\_\_

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_  
Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_



## What Is Fiduciary Liability Insurance? And Why Private Companies May Need It.

In today's ever-shifting legal environment, employers are increasingly being held accountable for the benefits options they offer employees. Under the Employee Retirement Income Security Act of 1974 (ERISA), fiduciaries can be held personally liable for losses to a benefit plan incurred as a result of their alleged errors or omissions or breach of their fiduciary duties.

Lawsuits against a privately owned company, its fiduciaries, and its plans can be brought by a host of parties, including:

- Plan participants (employees).
- The government: The Department of Labor and The Pension Benefit Guarantee Corporation.

Fiduciary liability claims can involve a broad range of allegations, such as:

- Denial or change (especially reduction) of benefits.
- Administrative error.
- Improper advice or counsel.
- Wrongful termination of a plan.
- Failure to adequately fund a plan.
- Conflict of interest.
- Imprudent investment of assets or lack of investment diversity.
- Imprudent choice of insurance company, mutual fund, or third-party service provider.

By sponsoring a retirement plan, such as a defined contribution plan or 401(k), profit-sharing plan or employee stock option plan (ESOP), defined benefit plan, or welfare plans such as health or accident plans, a private company may need protection against errors in plan administration and breaches of duty under ERISA.

### FIDUCIARY LIABILITY INSURANCE...

Helps to protect the personal assets of company fiduciaries, as well as the financial assets of the company and employee benefit plans against lawsuits.

Pays for a legal defense and, the insurer will supply expert defense counsel.

### Your Private Company May Need Fiduciary Liability Insurance Because:

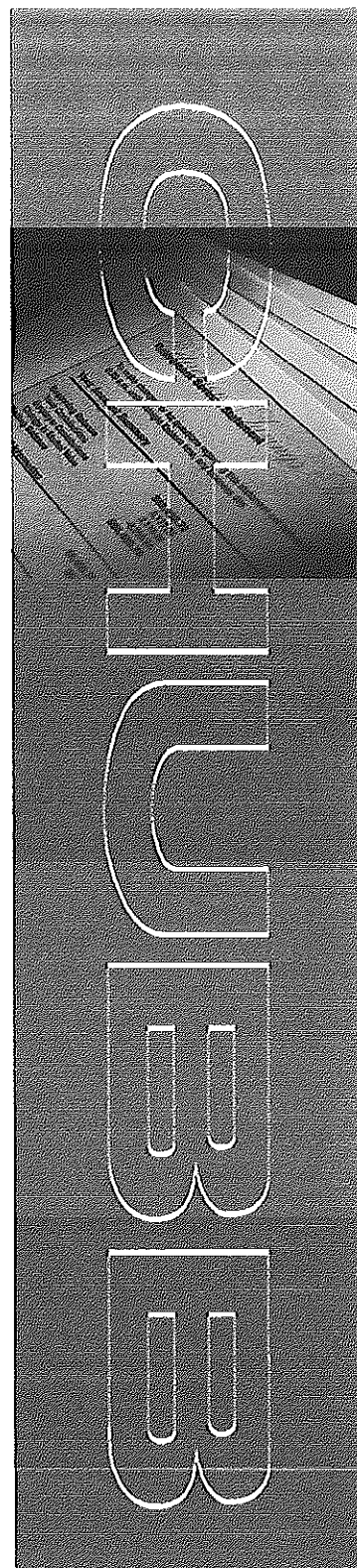
- It fills in gaps in traditional coverage. It is a common misconception that the employee benefits liability (EBL) section of general liability (GL) insurance or directors and officers (D&O) liability insurance will take care of every possible lawsuit against fiduciaries. However:
  - EBL insurance protects against claims of errors in plan administration, but not against the more expensive and complex ERISA violation claims.
  - D&O liability insurance typically excludes claims for both EBL and breach of ERISA fiduciary duty.
- By accessing the advice of experts and choosing and offering quality, diverse investments, you can mitigate your fiduciary liability exposure, but you can't eliminate it. Even a company sponsoring only a 401(k) is exposed. Employers are increasingly held liable for the selections they are giving to their employees.

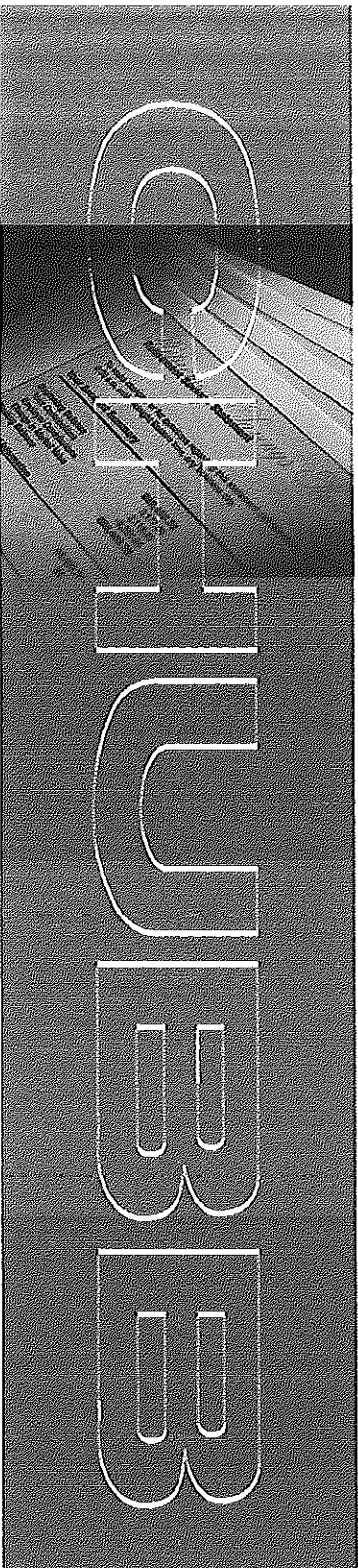
- According to *The 2005 Chubb Private Company Risk Survey*<sup>1</sup>:

- One in five (18%) private company executives believe that a retiree may sue the company, its directors and officers, and/or its benefits plan administrators and fiduciaries over benefit issues in the coming year.
- Twenty percent of private companies plan to reduce or eliminate employee benefits in the year ahead, increasing their potential fiduciary liability exposure.

**Fiduciaries without fiduciary liability insurance may be forced to pay for lawsuit defense costs, judgments, and settlements out of their own pockets.**

1 *The 2005 Chubb Private Company Risk Survey* was sponsored by the Chubb Group of Insurance Companies to gain a better understanding of the many risks private companies and their directors and officers face. Researchers conducted telephone interviews from March through May 2005 with chief executive officers, chief financial officers, and other executives at a random sample of 451 privately held companies in 46 U.S. states.





## ForeFront Portfolio<sup>SM</sup> Fiduciary Liability Insurance from Chubb

In order to help protect private companies, their fiduciaries, and their benefit plans, Chubb offers **ForeFront Portfolio<sup>SM</sup> Fiduciary Liability Insurance**.

### COVERAGE FEATURES

**Chubb will pay 100% of your defense costs**—For covered claims, Chubb pays all defense costs (within the available limits and after payment of any applicable deductible), even if only part of the claim is actually covered. This is called "allocation" and it is important because sometimes losses are incurred by covered and uncovered parties, or insureds incur both covered and uncovered matters. Either way, as long as part of the claim is covered by Chubb's policy, Chubb pays 100% of the defense costs for such claim.

**Chubb manages the defense with expert attorneys**—Because Chubb has the duty to defend our ForeFront Portfolio Fiduciary Liability Insurance customers, should a claim arise, we retain expert counsel at affordable rates to manage a strong defense, sparing your company this burdensome worry. We've retained a superb panel of attorneys with extensive experience in private company issues who are dedicated to helping secure the most positive outcome possible for your firm.

**Coverage for HIPAA violations available**—ForeFront Portfolio Fiduciary Liability Insurance customers may obtain protection for civil penalties assessed under the Health Insurance Portability and Accountability Act (HIPAA).

**Coverage for 502(i) and 502(l) penalties available**—Customers may obtain protection for individual fiduciaries for the civil penalties they may face, including penalties of up to 5% imposed under ERISA Section 502(i) for inadvertent violations of ERISA Section 406, and up to 20% imposed under ERISA Section 502(l) for breaches of fiduciary duty.

**Optional coverage for defense outside the limits**—ForeFront Portfolio Fiduciary Liability Insurance allows customers to request defense costs to be paid outside the limits of liability. As defense costs are often a significant portion of any claim, this option provides additional protection while preserving the policy limit for other claims or indemnity payments.

**Option for guaranteed quote for new employee stock ownership plans (ESOPs)**—Chubb can guarantee to issue a discretionary quote for any ESOP created or acquired during the policy period, if the appropriate information is received 30 days prior to the creation or acquisition and the insured pays any required additional premium.

### THE CHUBB ADVANTAGE

Chubb has earned its leadership position in the fiduciary liability insurance marketplace as a result of our:

- **Financial strength**—Our financial stability and ability to pay claims rate among the best in the insurance industry, as attested by Standard and Poor's and A.M. Best Company, the leading insurance rating services. In fact, three members of the Chubb Group of Insurance Companies were recognized in the January 2004 issue of *Best's Review* as being among only 15 property/casualty insurers, out of more than 3,300, that have maintained an A.M. Best rating of A+ or higher for 50 consecutive years. Agents, brokers, and prospective customers often seek out our services because our reputation in the market is well known.
- **Reputation for paying claims and superior service**—Our reputation for expert, fair claims handling is renowned in the industry: In a 2004 Goldman Sachs survey, agents and brokers rated Chubb #1 out of 40 insurers in service quality.
- **Longevity in the market**—Chubb has been insuring the complex fiduciary risks of privately held companies since 1978.
- **Local underwriters**—Chubb's worldwide network of branch offices means your company's management has a trusted ally no matter where they do business.

### TAKE ACTION TODAY

Why take the chance that a lawsuit could financially cripple your company? For more information about **ForeFront Portfolio<sup>SM</sup> Fiduciary Liability Insurance**, or about Chubb's other ForeFront Portfolio coverages, contact your insurance agent or broker, or email [ci-info@chubb.com](mailto:ci-info@chubb.com). Additional information may be found on our Web site at [www.chubb.com](http://www.chubb.com).



Chubb Group of Insurance Companies

Warren, NJ 07059

[www.chubb.com](http://www.chubb.com)

For promotional purposes, Chubb refers to the member insurers of the Chubb Group of Insurance Companies underwriting coverage.

This literature is descriptive only. Whether or not or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the terms and conditions of the policy as issued. Actual coverage is subject to the language of the policies as issued.

Form 14-01-0712 (Rev. 3/06)



**BAY COUNTY RETIREMENT BOARD**  
**6/9/15**  
**RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (6/9/15)

WHEREAS, The Bay County Retirement Board of Trustees is the designated fiduciary for the Bay County Employees' Retirement System

WHEREAS, The Bay County Employees' Retirement System Fiduciary Liability Policy has been renewed every year in recent history, however, the Board Chair has not signed the policy in the past. The current one (1) year policy expires August 17, 2015; and

WHEREAS, There are three (3) other trusts covered by this policy and each will have to be signed by its fiduciary:

1. Bay County Voluntary Employees' Benefit Association
2. Bay County Employees' 401k savings plan (401k Board is the fiduciary)
3. Bay County Employees' 457 saving plan (Bay County Board of Commissioners is the fiduciary)

WHEREAS, Funds are budgeted for the fiduciary policy; Therefore, Be It  
 RESOLVED That the Bay County Retirement Board of Trustees authorizes renewal of the Bay County Employees' Retirement System Fiduciary Liability Policy and authorizes the Chairman of the Board to execute the renewal application and subsequent related documents on behalf of the Retirement Board following legal review/approval.

STEVE GRAY, CHAIR  
 AND BOARD

**RENEWAL OF FIDUCIARY LIABILITY POLICY**

MOVED BY TRUSTEE \_\_\_\_\_

SUPPORTED BY TRUSTEE \_\_\_\_\_

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_  
 Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
 Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_



We are very pleased to announce the addition of Duane McAllister, Erik Schleicher and Joseph Czechowicz to the Baird Advisors team. Duane and his team come to us from BMO Global Asset Management where they had developed impressive track records managing municipal portfolios across the yield curve. With the addition of Duane's team we will be expanding our municipal product line up, but will not be making any changes to the high quality approach of the Baird Intermediate Municipal Bond Fund or other taxable strategies. We are very excited about this great addition to the Baird Advisors team. Below please find a copy of the press release issued for more details on Duane and his team.

Thank you for your continued support and confidence in our team. Please call/email with any questions or if we can be helpful in any way.

Mary Ellen

Mary Ellen Stanek, CFA  
Managing Director  
Chief Investment Officer  
Baird Advisors  
(414) 298-1061  
[mstanek@rwbaird.com](mailto:mstanek@rwbaird.com)  
Robert W. Baird & Co. Incorporated  
777 East Wisconsin Avenue  
Milwaukee, WI 53202-5391

Baird – [Twelve consecutive years on FORTUNE® magazine's 100 Best Companies to Work For list](#)

For Immediate Release

## Baird Advisors Adds Experienced Municipal Investment Team

Milwaukee, May 19, 2015 – Baird Advisors, the institutional fixed income investment management division of Baird, announced that it has hired a nationally-recognized municipal investment team from BMO Global Asset Management. Municipal bond portfolio managers Duane McAllister, CFA, and Erik Schleicher and analyst Joseph Czechowicz will join Baird. The team has more than 25 years of experience managing municipal portfolios across the yield curve.

Said Mary Ellen Stanek, Managing Director and Chief Investment Officer, "Duane, Erik and Joe are

great additions to the Baird Advisors team. We have co-existed with them on a number of mutual client relationships and have admired their work for many years. We are excited to fully integrate them and their fixed income experience into the broader team efforts at Baird Advisors."

Said Duane McAllister, "This is an opportunity for us to join a leading institutional fixed income investment manager with a high quality team approach similar to our own."

Baird Advisors continues to capture market share with a proven track record and risk controlled approach. "Our team is well positioned in this environment to continue to grow, and the addition of the McAllister team adds additional bench strength to help us serve existing and new clients," said Stanek.

Baird expects to expand its municipal product offerings with additional municipal strategies. Said Stanek, "While this is an opportunity to add to our municipal offering, we do not intend to change our existing strategies and funds."

McAllister has been the Co-Manager of the BMO Intermediate Tax-Free Mutual Fund, the BMO Ultra Short Tax-Free Mutual Fund and the BMO Short Tax-Free Mutual Fund. In addition to the mutual funds, Duane also manages separate accounts across all three of the tax-free strategies: Ultra Short, Short, and Intermediate Tax-Free. Duane joined BMO Global Asset Management through an acquisition and began his investment career with the predecessor firm in 2007. Previously he served in investment management positions with Wells/Strong Capital Management, AAL Capital Management Co., and The Northern Trust Co. The BMO Intermediate Tax-Free Mutual Fund recently received a 2015 Lipper Award based on its 10 year track in the intermediate municipal bond category.<sup>1</sup>

Schleicher has been the co-manager of the BMO Short Tax-Free Fund and BMO Ultra-Short Tax-Free Fund and has managed separate accounts with a short-term objective. Previously, he served as a Fixed Income Analyst for the BMO Tax-Free Money Market Fund and the BMO Ultra Short Tax-Free Fund. Before joining M&I Investment Management Corp., a part of BMO Global Asset Management, Erik was with US Bancorp Funds Services as a Compliance Officer. Joseph Czechowicz began his career on the team in 2010 and received his MBA at the University of Wisconsin's Applied Securities program.

### **About Baird**

Baird is an employee-owned, international wealth management, capital markets, private equity and asset management firm with offices in the United States, Europe and Asia. Established in 1919, Baird has more than 3,100 associates serving the needs of individual, corporate, institutional and municipal clients. Baird has more than \$145 billion in client assets. Committed to being a great place to work, Baird ranked No. 5 on FORTUNE's 100 Best Companies to Work For® in 2015 – its 12th consecutive year on the list. Baird's principal operating subsidiaries are Robert W. Baird & Co. in the United States and Robert W. Baird Group Ltd. in Europe. Baird also has an operating subsidiary in Asia supporting Baird's investment banking and private equity operations. For more information, please visit Baird's Web site at [www.rwbaird.com](http://www.rwbaird.com).

<sup>1</sup>The annual Lipper Fund Awards honor asset managers and individual mutual funds in the U.S. that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. For the 1-year period ending 03/31/15, the BMO Intermediate Tax-Free Fund Y Shares ranked 28 out of 219 funds within Lipper's Intermediate Municipal Debt Funds category. For the 3-year period, Y Shares ranked 19 out of 184 funds. For the 5-year period, Y Shares ranked 22 out of 158 funds. For the 10-year period, Y Shares ranked 2 out of 103 funds.

Performance data represents past performance. Past performance is no guarantee of future results.

If you do not wish to receive further Baird email announcements, reply to this email with "Remove Me" in the subject line.

Robert W. Baird & Co. Incorporated. 777 East Wisconsin Avenue, Milwaukee, WI 53202. 800-RW-BAIRD. [rwbaird.com](http://rwbaird.com). MC-45025v3.

# MFS CORPORATE UPDATE

May 2015 | [mfs.com](http://mfs.com) | [contact us](#)



Dear Investment Colleague,

I'm writing to update you on an upcoming change at MFS Investment Management.

**Tim Fagan**, Chief Compliance Officer at MFS, has chosen to resign at the end of this month to pursue a writing career.

Effective June 1, 2015, **Brent Farmer**, who currently serves as Vice President and Director of Corporate Compliance with MFS, will become interim CCO for MFS.

A search is currently underway for Mr. Fagan's replacement as MFS CCO.

MFS is approaching this transition from a position of strength with a number of seasoned Compliance professionals in leadership positions.

If you have any questions about these changes, please do not hesitate to contact me or your Relationship Team.

Sincerely,

Mark Polebaum  
MFS General Counsel

FOR INSTITUTIONAL AND INVESTMENT PROFESSIONAL USE ONLY.

[Unsubscribe](#)

33284

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## BAY COUNTY RETIREMENT BOARD

06/09/15

## RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD ( 06/09/15)  
 WHEREAS, As part of the requirement of the Bay County Employees' Retirement System Policy on Service Provider Disclosures, the Board requires information to be provided annually by all of its service providers to acknowledge that they are in compliance with Section 13e of Act 314 [MCL 38.113e] and/or Rule 206(4)-5 of the Investment Advisers Act of 1940 in the case of a regulated investment adviser.

WHEREAS, Compensation disclosure forms and political contribution disclosure forms have been received by the following money managers:

Baird Advisors	Loomis Sayles & Co.
Columbia Management	
Cornerstone Real Estate Advisors	Mackay Shields
Eagle Asset Management	MFS Institutional Advisors
Geneva Capital Management	MFS Heritage Trust
Hotchkis & Wiley	Schroder Investment Management.
Victory Capital/Integrity Asset Management	

RESOLVED Therefore, Be It  
 That this Board receive these Compensation Disclosure Forms and Political Contribution Disclosure forms.

STEVE GRAY, CHAIR  
 AND BOARD

## RECEIVE SERVICE DISCLOSURE FORMS

MOVED BY TRUSTEE \_\_\_\_\_

SUPPORTED BY TRUSTEE \_\_\_\_\_

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

I. Service Provider Information

Company Name: Baird Advisors  
Address: 777 E. Wisconsin Avenue  
City: Milwaukee State: WI Zip: 53202

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

II. Reporting Period

From: 1/1/14 To: 12/31/14

III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES

☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES

☐ NO

Signature

Date

Printed Name

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Investment Service Provider.

### I. Investment Service Provider Information

Company Name: Baird Advisors  
Address: 777 E. Wisconsin Avenue  
City: Milwaukee State: WI Zip: 53202

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Mary F. Hoppa  
Signature

4/6/15  
Date

Mary F. Hoppa  
Printed Name

Senior Vice President  
Title

### II. Reporting Period

From: 1/1/14 To: 12/31/14

### III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

#### A. Direct Compensation (Compensation paid directly from the Plan)

Amount: \$ 74,817.54  
Manner of receipt (invoice, direct deduction, etc.): invoice

#### B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Manner of receipt: \_\_\_\_\_  
Services to which such compensation relates: \_\_\_\_\_

#### C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Recipient: \_\_\_\_\_

#### D. Total

Amount: \_\_\_\_\_

\*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

## BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e.

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

## I. Service Provider Information

Company Name: Columbia Management Investment Advisers, LLC  
 Address: 225 Franklin Street  
 City: Boston State: MA Zip: 02110

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

## II. Reporting Period

From: 1-1-2014To: 12-31-2014

## III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13a of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES☐ NO

Signature

Date

Printed Name

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)



## BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)

This form must be submitted to the Board of Trustees

no later than 28 days following its receipt by the Investment Service Provider.

## I. Investment Service Provider Information

Company Name: Columbia Management Investment Advisers, LLC  
 Address: 225 Franklin Street  
 City: Boston State: MA Zip: 02110

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Erik Saarinen  
 Signature

Date

4/9/15

Erik Saarinen  
 Printed Name

Head of Global  
 Title Relationship Mgt

## II. Reporting Period

From: 1-1-2014To: 12-31-2014

## III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

## A. Direct Compensation (Compensation paid directly from the Plan)

Amount: \$225,261.69  
 Manner of receipt (Invoice, direct deduction, etc.): Invoiced - see attached

## B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: See attached commission summary  
 Payer: \_\_\_\_\_  
 Manner of receipt: \_\_\_\_\_  
 Services to which such compensation relates: \_\_\_\_\_

## C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: See attached commission summary  
 Payer: \_\_\_\_\_  
 Recipient: \_\_\_\_\_

## D. Total

Amount: \_\_\_\_\_

\*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)  
This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Investment Service Provider.

### I. Investment Service Provider Information

Company Name: Carverstone Real Estate Advisers LLC  
Address: One Financial Plaza State: CT Zip: 06103  
City: Hartford

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

[Signature]  
Signature

4/6/2015  
Date

Martin M. Lilienthal Jr.  
Printed Name

AVP  
Title

### II. Reporting Period

From: 1/1/2014 To: 12/31/2014

### III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

#### A. Direct Compensation (Compensation paid directly from the Plan)

Amount: \_\_\_\_\_  
Manner of receipt (invoice, direct deduction, etc.): \_\_\_\_\_

#### B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: \$69,875.14  
Payer: Bay County ERS  
Manner of receipt: Invoice  
Services to which such compensation relates: Investment Management fees paid indirectly by plan.

#### C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: \$18,946.25  
Payer: Bay County ERS  
Recipient: commissions

#### D. Total

Amount: \$88,821.39

\*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

### I. Service Provider Information

Company Name: Cornerstone Real Estate Advisers LLC  
Address: One Financial Plaza State: CT Zip: 06103  
City: Hartford

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

### II. Reporting Period

From: 1/1/2014 To: 12/31/2014

### III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES

☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES

☐ NO

Signature

Date

Mark M. Lilienthal Jr.  
Printed Name

AVP.  
Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)  
This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Investment Service Provider.

### I. Investment Service Provider Information

Company Name: EAGLE ASSET MANAGEMENT  
Address: 880 CARNATION PKWY  
City: ST PETERSBURG State: FLORIDA Zip: 33716

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Signature

DAMIAN D SOUSA  
Printed Name

Date

Title

### II. Reporting Period

From: 1/1/14

To: 12/31/14

### III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

#### A. Direct Compensation (Compensation paid directly from the Plan)

Amount: \$ 93,648.71  
Manner of receipt (invoice, direct deduction, etc.): INVOICE

#### B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: \$ 0  
Payer: \_\_\_\_\_  
Manner of receipt: \_\_\_\_\_  
Services to which such compensation relates: \_\_\_\_\_

#### C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: \$ 716.64  
Payer: BLOOMBERG B-TRADE SOFT DOLLAR CREDITS  
Recipient: EAGLE

#### D. Total

Amount: \$ 94,365.35

\*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

I. Service Provider Information

Company Name: EAGLE ASSET MANAGEMENT, INC  
Address: 880 CARILLON PKWY State: FLORIDA Zip: 33716  
City: ST PETERSBURG

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

II. Reporting Period

From: 1/1/14 To: 12/31/14

III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES

☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES

☐ NO

Signature

Date

Printed Name

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

### I. Service Provider Information

Company Name: Geneva Capital Management LLC

Address: 100 E. Wisconsin Avenue, Suite 2550

City: Milwaukee

State: WI

Zip: 53202

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

### II. Reporting Period

From: January 1, 2014

To: December 31, 2014

### III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES

☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES

☐ NO

Signature

3/25/2015  
Date

Anne S. Kochevar

Printed Name

Chief Compliance Officer

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

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## BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

### COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Investment Service Provider.

#### I. Investment Service Provider Information

Company Name: Geneva Capital Management LLC

Address: 100 E. Wisconsin Avenue, Suite 2550

City: Milwaukee

State: WI

Zip: 53202

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Signature

Anne S. Kochevar

Printed Name

3/25/2015

Date

Chief Compliance Officer

Title

#### II. Reporting Period

From: January 1, 2014

To: December 31, 2014

#### III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

##### A. Direct Compensation (Compensation paid directly from the Plan)

Amount: \$172,634

Manner of receipt (invoice, direct deduction, etc.): Invoice

##### B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: \_\_\_\_\_

Payer: \_\_\_\_\_

Manner of receipt: \_\_\_\_\_

Services to which such compensation relates: \_\_\_\_\_

##### C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: \$2,832

Payer: Commission paid on transactions executed on behalf of BCERS.

Recipient: Various executing broker-dealers.

##### D. Total

Amount: \$175,466

\*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

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# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Investment Service Provider.

### I. Investment Service Provider Information

Company Name: Hotchkis and Wiley Capital Management, LLC  
Address: 725 S. Figueroa St., 39th Floor  
City: Los Angeles State: CA Zip: 90017

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Signature

Anna Marie Lopez

Printed Name

4/10/15

Date

Chief Operating Officer

Title

### II. Reporting Period

From: 1/1/14 To: 12/31/14

### III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

#### A. Direct Compensation (Compensation paid directly from the Plan)

Amount: \$ 109,893.68 \*  
Manner of receipt (invoice, direct deduction, etc.): invoice

\*management fees billed for CY 2014

#### B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: None  
Payer: \_\_\_\_\_  
Manner of receipt: \_\_\_\_\_  
Services to which such compensation relates: \_\_\_\_\_

#### C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: Refer to Exhibit A for brokerage commissions and soft dollars.  
Payer: \_\_\_\_\_  
Recipient: \_\_\_\_\_

#### D. Total

Amount: \$ 109,893.68 (excludes brokerage commissions and soft dollars)

\*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)



# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

### I. Service Provider Information

Company Name: Hotchkis and Wiley Capital Management  
Address: 725 S. Figueroa St., 39th Floor  
City: Los Angeles State: CA Zip: 90017

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

### II. Reporting Period

From: 1/1/14 To: 12/31/14

### III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES ☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES ☐ NO

Signature

Date

Anna Marie Lopez

Chief Operating Officer

Printed Name

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

Exhibit A

HOTCHKIS AND WILEY CAPITAL MANAGEMENT  
COMMISSIONS PAID

ACCOUNT : 1122  
STATED IN USD

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

TRADE DATES : 1/1/2014 - 12/31/2014

Account	Broker	Quantity	Gross Amount	Commissions	Cents Per Share
1122	ABEL NOSER DIRECTED	90,900	2,186,374.20	902.00	1.0
	Client Directed	90,900	2,186,374.20	902.00	1.0
1122	ABEL NOSER	47,800	990,808.41	834.40	1.7
1122	ABEL NOSER PROGRAM	2,100	105,212.46	21.20	1.0
1122	AQUA SECURITIES LP	4,000	130,677.28	88.00	2.2
1122	BTIG LLC	1,900	42,792.29	19.00	1.0
1122	CANTOR FITZGERALD	4,600	64,402.77	46.00	1.0
1122	CS FIRST BOSTON - AES	98,699	1,938,631.96	517.50	0.5
1122	JEFFERIES / EXEC	9,700	227,162.40	97.00	1.0
1122	JONES AND ASSOCIATES	4,800	72,227.90	48.00	1.0
1122	JP MORGAN EXEC	300	8,811.32	3.00	1.0
1122	KNIGHT SECURITIES	2,800	117,986.84	28.00	1.0
1122	LIQUIDNET	4,500	87,302.81	90.00	2.0
1122	MERRILL LYNCH ELECTRONIC	54,750	1,144,302.23	273.75	0.5
1122	WEEDEN CO LP	18,100	311,441.41	181.00	1.0
	<b>Execution Only</b>	<b>254,049</b>	<b>5,241,760.08</b>	<b>2,246.85</b>	<b>0.9</b>
1122	AVONDALE PARTNERS RESEARCH	2,200	70,395.59	88.00	4.0
1122	BANK OF AMERICA MERRILL LYNCH	3,800	106,407.44	176.00	4.6
1122	BARCLAYS CAPITAL	5,300	134,061.21	212.00	4.0
1122	BMO CAPITAL MARKETS CANADIAN	2,100	80,416.04	103.00	4.9
1122	CITIGROUP GLOBAL MARKETS	800	11,399.29	37.00	4.6
1122	CS FIRST BOSTON	6,000	315,845.87	120.00	2.0
1122	DEUTSCHE BANK ALEX BROWN	300	18,174.84	12.00	4.0
1122	EVERCORE GROUP LLC	300	31,472.28	12.00	4.0
1122	FRIEDMAN BILLINGS RAMSEY	600	12,862.50	24.00	4.0
1122	GOLDMAN SACHS	1,200	53,807.89	49.00	4.1
1122	HIBERNIA SOUTHCOAST CAPI	200	14,518.84	10.00	5.0
1122	HSBC SECURITIES	2,800	53,243.40	112.00	4.0
1122	ITG INC	5,200	148,903.28	250.00	4.8
1122	JANNEY MONTGOMERY SCOTT	2,800	35,470.12	140.00	5.0
1122	JEFFERIES / RES	6,900	100,231.07	234.00	3.4
1122	JMP SECURITIES	1,300	68,711.12	52.00	4.0
1122	JNK SECURITIES CORP	500	31,176.05	20.00	4.0
1122	JOHNSON RICE AND CO	500	21,941.35	20.00	4.0
1122	JP MORGAN SECURITIES	9,600	210,238.58	438.00	4.6
1122	KEEFE BRUYETTE WOODS	500	16,704.90	20.00	4.0
1122	KEYBANC CAPITAL MKTS RESEARCH	3,400	220,320.71	146.00	4.3
1122	LEERINK SWANN LLC	700	33,688.95	28.00	4.0
1122	Longbow Securities	911	31,832.12	36.44	4.0
1122	MERRILL LYNCH FBO EMPIRICAL	3,300	55,185.02	165.00	5.0
1122	MITSUBISHI UFJ SECURITIES (USA)	400	4,297.36	16.00	4.0
1122	MORGAN STANLEY	4,500	117,694.78	224.00	5.0
1122	NORTHCOAST SECURITIES	3,800	22,494.31	185.00	4.9
1122	OPPENHEIMER & CO INC	1,000	28,253.20	40.00	4.0
1122	PIPER JAFFRAY & CO.	1,000	46,643.40	40.00	4.0
1122	RAYMOND JAMES	600	7,626.54	30.00	5.0
1122	REDBURN PARTNERS	1,100	8,427.87	44.00	4.0
1122	ROBERT W BAIRD AND CO	6,000	112,612.14	242.00	4.0
1122	SANFORD BERNSTEIN	400	24,799.88	16.00	4.0
1122	SCOTIA CAPITAL USA INC	600	28,178.22	24.00	4.0
1122	SHIELDS CAPITAL RESEARCH	2,800	118,476.12	112.00	4.0
1122	SIDOTI AND COMPANY	400	9,398.76	16.00	4.0
1122	SIMMONS AND COMPANY	4,300	92,728.54	201.00	4.7
1122	STERNE AGEE & LEACH	300	2,985.00	12.00	4.0
1122	STIFEL NICOLAUS & CO	300	5,690.00	13.00	4.3
1122	TUDOR PICKERING HOLT & CO	800	23,780.64	32.00	4.0
1122	UBS FBO ZELMAN PARTNERS	3,800	93,067.15	173.00	4.6
1122	UBS SECURITIES	800	8,811.36	32.00	4.0
1122	WEDBUSH MORGAN	1,200	69,115.14	48.00	4.0
1122	WOLFE TRAHAN SECURITIES	500	31,245.62	20.00	4.0
	<b>Research &amp; Execution (Direct Broker Research) &lt;A&gt;</b>	<b>95,811</b>	<b>2,733,334.49</b>	<b>4,024.44</b>	<b>4.2</b>
1122	BARCLAYS CAPITAL / SD	6,900	181,867.79	302.00	4.4
1122	JEFFERIES / SD	4,200	37,375.80	168.00	4.0
	<b>Research &amp; Execution (Indirect Broker Research) &lt;B&gt;</b>	<b>11,100</b>	<b>219,243.59</b>	<b>470.00</b>	<b>4.2</b>
	<b>TOTAL BROKERAGE COMMISSIONS</b>	<b>451,860</b>	<b>10,380,712.36</b>	<b>7,643.29</b>	<b>1.7</b>

<A> - Indirect Broker Research is research services produced by a third-party (non-broker) vendor and provided by a broker-dealer, as permitted by Section 28(e). Indirect Broker Research includes, among others, traditional research reports; investment related data such as macro-economic, industry, and company financial statistics; investment services such as expert networks, and specialized industry analysis.

<B> - Direct Broker Research is research services produced and provided by a broker-dealer acting in the capacity of introducing, executing, clearing or research broker-dealer. Included in Direct Broker Research are research services directly from and "provided by" introducing broker-dealers who have correspondent relationships with broker-dealers for execution and clearing services and broker-dealers who have entered into commission sharing arrangements to provide brokerage and research services to their mutual customers.

## Bay County Employees' Retirement System

### FEE DISCLOSURE STATEMENT

In accordance with the disclosures required by MCLS § 38.1133(7), the Service Provider named herein, certifies under penalty of perjury that the information contained below is a full, complete, and accurate description of all compensation received as a result of its relationship with the Retirement System.

Date: February 25, 2015

#### Investment Service Provider Information

Name: Victory Capital Management Inc., dba Integrity Asset Management

Address: 18500 Lake Road, Suite 300

City: Rocky River

State: Ohio

Zip: 44116

Telephone Number: 248-530-7164

Email: lmeints@vcm.com

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#### Compensation/Fees Associated With Your Relationship to the Retirement System

##### 1. Direct Compensation/Fees received from the Retirement System:

Amount Received: \$200,246

Date Received: 2014 Calendar Year

##### 2. Indirect Compensation/Fees received (not paid directly by Retirement System):

Payer	Date Received	Amount Received
Broker-dealers on attached list	2014 Calendar Year	\$2,814

For the period January 1, 2014 through December 31, 2014, the Investment Service Provider received \$2,814 in indirect compensation from portfolio trading activities on behalf of the Retirement System in the form of soft dollar credits used to purchase third-party research or other brokerage products and services. Please note that this amount does not include commissions paid on transactions with full-service brokers that provide proprietary research but do not unbundle the cost of such research. Please refer to the attached Soft Dollar Summary for additional information.

##### 3. Compensation Paid or to be Paid to Third Parties:

Recipient	Date Paid or Scheduled to be Paid	Amount
None		

Linda E Meints

Signature

Senior Compliance Officer

Title

Linda E. Meints

Printed Name

February 25, 2015

Date

## POLITICAL CONTRIBUTION DISCLOSURE STATEMENT

In accordance with the disclosures required by MCLS § 38.1133e, the Service Provider named herein, certifies that it is a registered investment adviser under the Investment Advisers Act of 1940 and is in compliance with Rule 206(4)-5 under the Investment Advisers Act of 1940, as amended, as of the date indicated below. The information contained below is a full, complete, and accurate description of the political contributions paid to an official of Bay County during the immediately preceding 24-calendar-month period.

### Plan Information

Retirement System: Bay County Employees Retirement System

### Investment Service Provider Information

Name: Victory Capital Management Inc., dba Integrity Asset Management  
Address: 18500 Lake Road, Suite 300  
City: Rocky River State: Ohio Zip: 44116  
Telephone Number: 248-530-7164 Email: lmeints@vcm.com

### Contributions Made Where Service Provider WAS Entitled to Vote for the Candidate:

Contributed To:	Date Contributed:	Contribution Amount:
None		
Total Amount Contributed:		

### Contributions Made Where Service Provider was NOT Entitled to Vote for the Candidate:

Contributed To:	Date Contributed:	Contribution Amount:
None		
Total Amount Contributed		

*Linda E Meints*

Signature

Linda E. Meints  
Printed Name

Senior Compliance Officer  
Title

April 13, 2015  
Date

## BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

### POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

#### I. Service Provider Information

Company Name: Loomis, Sayles & Company, L.P.  
Address: One Financial Center  
City: Boston State: MA Zip: 02111

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

#### II. Reporting Period

From: 1/1/2014 To: 12/31/2014

#### III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES

☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES

☐ NO

Signature

Date

Printed Name

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

please see form 3500 Letter

## BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

### COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Investment Service Provider.

#### I. Investment Service Provider Information

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

#### II. Reporting Period

From: \_\_\_\_\_ To: \_\_\_\_\_

#### III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

##### A. Direct Compensation (Compensation paid directly from the Plan)

Amount: \_\_\_\_\_  
Manner of receipt (invoice, direct deduction, etc.): \_\_\_\_\_

##### B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Manner of receipt: \_\_\_\_\_  
Services to which such compensation relates: \_\_\_\_\_

##### C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Recipient: \_\_\_\_\_

##### D. Total

Amount: \_\_\_\_\_

\*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx/mcl-act-314-of-1965>)



LOOMIS SAYLES

May 4, 2015

Crystal Hebert  
Bay County Employees' Retirement System  
515 Center Avenue, Suite 706  
Bay City, MI 48708

Re: *Form 5500 Schedule C Statement of Indirect Compensation*

Dear Crystal:

During the period 1/1/2014 through 12/31/2014, Loomis, Sayles & Company, L.P. received \$79,107.47 in direct compensation (Service Code 51) in the form of management fees paid by the plan as a result of investment advisory services provided to the Bay County Employees' Retirement System account.

For reporting purposes, the Loomis, Sayles & Company, L.P. EIN is 04-3200030. Loomis Sayles is located at One Financial Center, Boston, MA 02111.

Loomis, Sayles & Company, L.P. received no indirect compensation as a result of services provided to the plan.

Please do not hesitate to contact me with any questions you may have.

Sincerely,

---

Chidie Okpoebo  
Client Portfolio Analyst

One Financial Center  
Boston, MA 02111  
617.482.2450

[www.loomissayles.com](http://www.loomissayles.com)

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# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e  
This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

### I. Service Provider Information

Company Name: Mackay Shields LLC  
Address: 1345 Avenue of the Americas  
City: New York State: NY Zip: 10105

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

### II. Reporting Period

From: 1/1/14 To: 12/31/14

### III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES

☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES

☐ NO

Signature

Date

Printed Name

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)  
This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Investment Service Provider.

### I. Investment Service Provider Information

Company Name: Mackay Shields LLC  
Address: 1345 Ave. of the Americas  
City: New York State: NY Zip: 10105

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Rene A. Bustamante  
Signature

4/13/15  
Date

Rene Bustamante  
Printed Name

CCO & Senior Managing Director  
Title

### II. Reporting Period

From: 1/1/14 To: 12/31/14

### III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

#### A. Direct Compensation (Compensation paid directly from the Plan)

Amount: See attached  
Manner of receipt (invoice, direct deduction, etc.): \_\_\_\_\_

#### B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Manner of receipt: \_\_\_\_\_  
Services to which such compensation relates: \_\_\_\_\_

#### C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Recipient: \_\_\_\_\_

#### D. Total

Amount: \_\_\_\_\_

\*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

Plan Sponsor's Client Form 4500 Analysis 2014									
Client Name	Combo / Acct #	Period	Product	2014 Total Dollars Generated*	Soft Dollar Services Received	Proprietary Research Services	Investment Management Fees (a)	Performance Fees (a)	Subadvisory Fees
San County Employees Retirement System	1216	2014	CONV	-	-	-	90,732.08	-	-
Type of GAC Event									
None									
Charitable Contribution*									
None									
Placement Agent Fees									
None									
CMT & Entertainment*									
None									

\* See period covered  
 \*\* Investment management fees accrued/incurred in the fund.  
 \*\*\* Reviewed in 2014 OGE activity logs previously prepared as part of the 2014 LMA-10 analysis. In addition, reviewed in 2014. Firm website reports provided by Acquiror as part of the 2014 LMA-10 analysis.  
 \*\*\*\* To the extent that trades of this portfolio occurred were associated through the equity research services, trades and associated research services.

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The certification below is being provided with respect to Bay County Employees' Retirement System's separate account managed by MFS Institutional Advisors, Inc. ("MFSI"). MFSI's direct parent company (Massachusetts Financial Services Company or "MFS") has adopted the MFS Political Contributions and Activities Policy (the Policy). The Policy is designed to prohibit violations of the SEC's pay to play rule and other applicable laws that relate to political contributions by investment advisors or broker/dealers that do business with government entities, including Municipal Securities Rulemaking Board (MSRB) Rule G-37 and state pay to play laws. All employees must obtain approval from the MFS Compliance Department prior to making a contribution (as defined under the Policy) of any value. To obtain pre-approval for a contribution, an employee must complete and submit a Political Contribution Request Form to the Compliance Department. The department reviews and evaluates each request to determine if it is permissible under the Policy.

## BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

### POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

#### I. Service Provider Information

Company Name: MFS Institutional Advisors, Inc.  
Address: 111 Huntington Avenue  
City: Boston State: MA Zip: 02199

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

#### II. Reporting Period

From: January 1, 2014 To: December 31, 2014

#### III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES ☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES ☐ NO

Signature

Date

Carol W. Geremia

Printed Name

President

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

MHTC's direct parent company (Massachusetts Financial Services Company or "MFS") has adopted the MFS Political Contributions and Activities Policy (the Policy). The Policy is designed to prohibit violations of the SEC's pay to play rule and other applicable laws that relate to political contributions by investment advisors or broker/dealers that do business with government entities, including Municipal Securities Rulemaking Board (MSRB) Rule G-37 and state pay to play laws. All employees must obtain approval from the MFS Compliance Department prior to making a contribution (as defined under the Policy) of any value. To obtain pre-approval for a contribution, an employee must complete and submit a Political Contribution Request Form to the Compliance Department. The department reviews and evaluates each request to determine if it is permissible under the Policy. Please note that MFS has established a political action committee ("PAC") that, from time to time, makes political contributions to federal candidates.

## BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

### POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

#### I. Service Provider Information

Company Name: MFS Heritage Trust Company  
Address: 111 Huntington Avenue  
City: Boston State: MA Zip: 02199

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

#### II. Reporting Period

From: January 1, 2014 To: December 31, 2014

#### III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☒ YES  
Carol W. Geremia  
Signature

☐ NO  
4/7/15  
Date

Carol W. Geremia  
Printed Name

Executive Vice President  
Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☐ YES

☐ NO

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

I. Service Provider Information

Company Name: Schroder Investment Management North America Inc.

Address: 875 Third Avenue

City: New York State: NY Zip: 10022-6225

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

II. Reporting Period

From: 1/1/2014

To: 12/31/2014

III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES

☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES

☐ NO

Signature

Date

SHANAK PATNAIK  
Printed Name

4.13.15  
Date  
Sr. COMPLIANCE MGR.  
Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

Schroder Investment Management North America Inc.  
875 Third Avenue, New York, NY 10022-6225



Tel: 1 212-641-3889 Fax: 212-641-3985  
Email: cathie.mazza@schroders.com  
www.schroders.com/us

**Cathie Mazza**  
**Director of Client Relationship Management**

April 13, 2015

Bay County Employees' Retirement System

**Re: Schroder International Small Companies Portfolio – Form 5500 Inquiry for Bay County Employees' Retirement System**

To Whom It May Concern:

In response to the Bay County Employees' Retirement System Form 5500 inquiry, please find below the relevant fee breakdowns as it relates to the management of the client's investments. Kindly let us know if you need anything further.

Name: Schroder Investment Management North America, Inc.

EIN: 13-4064414

Amount of compensation: see below

Type of service provided as per the Form 5500 codes:

28 investment management (direct compensation)

68 soft dollar commissions (indirect compensation)

January 1, 2014 – December 31, 2014:

Management Fee: \$145,310.87

Trustee Fee: \$1,985.60

Research/Soft Dollar Services Paid from Commissions\*: \$9,781.14

\* SIMNA receives indirect benefit from Research/Soft Dollar service paid for out of commissions; the amounts reported above reflect an allocation of that portion of commissions attributable to research/soft dollar services based on the investor's interest in the partnership over the period.

Regards,

A handwritten signature in black ink, appearing to read "Cathie Mazza", with a large, stylized flourish at the end.

Cathie Mazza

# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees  
no later than 28 days following its receipt by the Service Provider.

### I. Service Provider Information

Company Name: Baird Advisors  
Address: 777 E. Wisconsin Avenue  
City: Milwaukee State: WI Zip: 53202

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

### II. Reporting Period

From: 1/1/14 To: 12/31/14

### III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

☐ YES

☐ NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

☒ YES

☐ NO

Signature

Date

Printed Name

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)



# BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

## COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)

This form must be submitted to the Board of Trustees

no later than 28 days following its receipt by the Investment Service Provider.

### I. Investment Service Provider Information

Company Name: Baird Advisors  
Address: 777 E. Wisconsin Avenue  
City: Milwaukee State: WI Zip: 53202

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Mary Hoppa  
Signature

4/6/15  
Date

Mary F. Hoppa  
Printed Name

Senior Vice President  
Title

### II. Reporting Period

From: 1/1/14 To: 12/31/14

### III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

#### A. Direct Compensation (Compensation paid directly from the Plan)

Amount: \$ 74,817.54  
Manner of receipt (invoice, direct deduction, etc.): invoice

#### B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Manner of receipt: \_\_\_\_\_  
Services to which such compensation relates: \_\_\_\_\_

#### C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Recipient: \_\_\_\_\_

#### D. Total

Amount: \_\_\_\_\_

\*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

# PURCHASE OF OTHER GOVERNMENTAL SERVICE

EMPLOYEE NAME: Tom Holtschlag

BCERS AGENDA DATE  
6 / 9 / 15

DEPARTMENT	SHERIFF
JOB TITLE	ROAD PATROL DEPUTY-FOTC
DATE APPROVED BY PERSONNEL COMMITTEE	05/12/2015
RESOLUTION NUMBER	2015-109
OTHER GOVERNMENT SERVICE TIME BEING PURCHASED	FROM: 05/29/1987 10/01/1988 TO: 06/24/1988 02/01/1991  02/01/1991 01/01/1994 01/01/1995 12/31/1991 10/31/1994 12/31/1996
ENTITY PURCHASED FROM:	Adams County Sheriff, City of Saginaw School District, City of Saginaw Police
CERTIFICATION OF EMPLOYMENT AND WAGES OF OTHER GOVERNMENTAL UNIT ON FILE?	Yes
DOES APPLICANT HAVE MINIMUM OF 8 YEARS SERVICE CREDIT IN BAY COUNTY EMPLOYEE RETIREMENT SYSTEM?	Yes
AFFIDAVIT ON FILE DECLARING INELIGIBILITY TO DRAW OR USE THIS SERVICE TIME IN ANOTHER CAPACITY?	Yes
YEARS AND MONTHS OF OTHER GOVERNMENT SERVICE TIME BEING PURCHASED:	Seven ( 7 ) years and two ( 2 ) months
AMOUNT DUE RETIREMENT SYSTEM	\$ 46,031.66
PAYMENT MUST BE COMPLETED BY: ( one year from approval by Personnel Committee or prior to retirement, whichever is earlier)	05/12/2016

**Administration use:**

Letter to employee notifying of approval \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Copy of BCERS motion for buyback folder \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Receipt of payment \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Transmit payment to Northern Trust \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Letter to employee re: purchase complete \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Copy of ck & transmittal ltr in buyback folder \_\_\_\_/\_\_\_\_/\_\_\_\_  
 Note on employee file jacket re: # yrs/mos purchased

Prepared By: Rebecca Marsters, Retirement Administrator

[illegible]

Thomas Holtschlag  
City of Saginaw

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Thomas Holtschlag  
Adams County

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## BAY COUNTY RETIREMENT BOARD

06/09/15

## RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD ( 06/09/15)  
 WHEREAS, Per the Retirement Ordinance and Bay County Board of Commissioners resolution no. 96-331-Other Governmental Service Credit for Retirement, members of BCERS may purchase time worked with other governmental units;  
 WHEREAS, An application was made by Thomas Holtschlag of the Sheriff's Group to purchase seven (7) years and two (months) of service time;  
 WHEREAS, Said application was approved at the May 12, 2015 meeting of the Bay County Board of Commissioners, Resolution no. 2015-109;  
 WHEREAS, All application materials have been received and calculation of cost have been processed by the Retirement Office.

Therefore, Be It  
 RESOLVED That this Board approve the application and request of Thomas Holtschlag to purchase seven (7) years and two (2) months of other governmental service time from the following: Adams County - one (1) year, one (1) month; City of Saginaw School District - two (2) years and four (4) months; and City of Saginaw Police Department - three (3) years and nine (9) months for retirement purposes.

STEVE GRAY, CHAIR

GOVERNMENT SERVICE CREDIT - THOMAS HOLTSCHLAG

MOVED BY TRUSTEE \_\_\_\_\_

SUPPORTED BY TRUSTEE \_\_\_\_\_

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_  
 Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
 Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_